

FBIS**DAILY REPORT
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UN ENVOY ON CODIFYING INTERNATIONAL LAW

0W120514 Beijing XINHUA in English 0202 GMT 12 Nov 86

[Text] United Nations, November 11 (XINHUA) -- Huang Jiahua, Chinese ambassador to the United Nations, said today that in the work of codifying international law, it is important to hold "full and genuine consultations on an equal footing" and work in the spirit of "seeking common ground while reserving differences."

Huang made the remarks at a meeting of the legal committee of the current U.N. General Assembly session, which was devoted to discussing the work of the U.N. International Law Commission.

The International Law Commission, whose objective is to promote the progressive development of international law and its codification, was established by the General Assembly in 1947. It consists of 34 experts elected by the General Assembly. Ambassador Huang himself is a member of the commission.

In his speech, Huang expressed his satisfaction at progress of varying degree in codifying international law including topics on "jurisdictional immunities of states and their property," "status of the diplomatic courier and the diplomatic bag," "state responsibility" and "draft code of offences." At the same time he put forth constructive suggestions. He hoped that the International Law Commission would continue its efforts and make greater contributions.

Huang said that the world today is composed of more than 100 countries with different social and legal systems and cultural traditions. "How to maintain the international relations on a just, reasonable and reliable legal basis is a question of concern by all countries. The International Law Commission is often required, in its codification work, to balance differences and contradictions between different legal systems and to bear in mind the interest of all sides," he said.

Huang noted that the tremendous changes in international relations as well as the rapid development of science and technology and of international economic contacts in recent years have had an "extremely profound impact" on the development of international law. "The codification work of the International Law Commission, accordingly, has to be based not only on reality, without sticking to traditional rules, but also be guided by a spirit of exploration," he said.

Huang was of the opinion that to promote world peace, develop friendly cooperation among states and support the just causes of mankind, which are "lofty purposes and objectives of the U.N.," should also be the main goal of promoting the codification and progressive development of international law.

He said China and many other developing countries are in the process of becoming active and constructive participants in the international legislative activities of the United Nations. He hoped that the International Law Commission would strive for greater achievements in its future work, thus further enhancing its prestige in the minds of the people of the world.

The current International Law Commission will expire its term of five years at the end of this year and the new commission will be elected within a few days by the General Assembly. The Chinese Government has already informed the U.N. secretary-general that it has decided to nominate Professor Shi Jiuyong, legal adviser of the Foreign Ministry of China, as a candidate for the new commission.

PRC PLEDGES \$250,000 CONTRIBUTION TO UNHCR

OW150208 Beijing XINHUA in English 0146 GMT 15 Nov 86

[Text] United Nations, November 14 (XINHUA) -- China today made a voluntary contribution of 250,000 U.S. dollars in cash to the 1987 program of the United Nations High Commission for Refugees (UNHCR).

Announcing the decision at the UNHCR pledging conference this morning, Chinese delegate Zhang Zifan said that the Chinese contribution was made "in the spirit of humanitarianism and international cooperation."

Zhang pointed out that China appreciated the various efforts made for the world's refugees by the UNHCR during the past year despite the fact that the situation for world refugees remained grim and the UNHCR is faced with financial problems.

He said China is always concerned with the world refugee problem, adding that "China has actively supported and participated in the work of the international community to save and provide relief to refugees."

He said China has taken in and resettled as many as 280,000 Indochinese refugees.

"China has provided within its capacity some cash and material assistance to the UNHCR and other refugee receiving countries," Zhang said, adding that "China also gained help from the UNHCR in settling refugees in China."

UN BODY ADOPTS PRC CONVENTIONAL ARMS RESOLUTION

OW141222 Beijing XINHUA in English 1049 GMT 14 Nov 86

[Text] United Nations, November 13 (XINHUA) -- A draft resolution on conventional disarmament, the first ever submitted by China on conventional weapons cuts, was adopted this afternoon by the First Committee of the General Assembly.

Without mentioning names, the draft called on the United States and the Soviet Union as well as the North Atlantic Treaty Organization and the Warsaw Pact to reach an early agreement on conventional disarmament.

The General Assembly, it said, "urges the countries with the largest military arsenals, ... (and) the two major military alliances, to continue negotiations on conventional disarmament in earnest, with a view to reaching early agreement on the limitation and gradual and balanced reduction of armed forces and conventional weapons under effective international control...".

The draft respected the needs of national security in encouraging all states to take appropriate steps, either alone or with neighbours, to promote conventional disarmament.

A total of 125 countries including the United States and the Soviet Union voted for the draft while India and Iraq abstained.

Prior to the vote, China's Ambassador for Disarmament Affairs Fang Gouxiang said while nuclear disarmament has the highest priority, China felt conventional arms reduction should also be part of a move to complete disarmament.

Two days ago, China's first draft resolution on nuclear disarmament was unanimously adopted by the same committee, which deals with political and security affairs.

The two draft resolutions sponsored by China will be submitted to the Plenary Session of the U.N. General Assembly for approval as documents of the assembly, which is almost invariably the case.

RENMIN RIBAO ON CONCEPT OF STATE SECURITY

HK170755 Beijing RENMIN RIBAO in Chinese 12 Nov 86 p 6

["International Jottings" column by Chao Yang (2600 7122): "A Viewpoint of Keen Insight"]

[Text] Forty-one years have passed by since World War II. All things are in a state of flux and many concepts of mankind have to be changed with the tide of the world. American academic Laist Brown has pointed out that the meaning of "state security" has to be changed by paying more attention to economic threats, aside from traditional concept of thwarting military threats. This writer thinks Mr Brown's viewpoint shows sound judgement.

For many years the United States and the Soviet Union have tried to ensure their security and the security of their allies by struggling for military supremacy over each other. However, such an endless arms race lays a heavy financial burden on the two countries and constitutes a constant threat to world peace.

On the other hand, the world economic situation is really a matter of deep concern. North-South dialogue has bogged down; the unreasonable old international economic order, fundamentally speaking, has not changed; the economic gaps between developing and developed nations are widening further; and people in many areas of the world are struggling for existence on the brink of famine and death. Even in developed nations, the disparity between the poor and the rich remains the same as before, and the grass-roots people are at all times threatened by unemployment and poverty. At the same time, worldwide environmental contamination and damage to the ecological equilibrium are directly endangering the future existence of mankind. Facts have proven that these profound economic problems contain a serious menace to the security and stability of some nations and regions in the world and are a source of upheaval there.

As a matter of fact, now the world economy forms an indivisible whole. Deterioration of one country's economy often causes a chain reaction and involves other countries. Therefore, ignorance of economic development and craving for arms expansion not only invoke a military threat to world peace but also impose a great influence on the existence of mankind from a long-term point of view. It is particularly so with regard to the two superpowers.

In this sense, the article by Mr Laist Brown is as good as a medicine for keeping a clear head. It tells people that to protect state security in earnest, arms expansion should be replaced by disarmament and the arms race by economic development so that a real lasting peace and security will be assured and all mankind will achieve common prosperity.

ZHOU GUCHENG ADDRESSES FETE FOR U.S. CONGRESSMEN

OW121941 Beijing XINHUA in English 1609 GMT 12 Nov 86

[Text] Beijing, November 12 (XINHUA) -- The Education, Science, Culture and Public Health Committee of the Chinese National People's Congress gave a banquet for a delegation from the House of Representatives of the United States Congress here tonight.

The delegation is led by James Haas Scheuer, chairman of the Congress Subcommittee on Natural Resources, Agriculture Research and Environment.

Speaking at the banquet, Vice-Chairman of the NPC Standing Committee Zhou Gucheng stressed the importance of strengthening ties between the NPC and U.S. Congress, which he said can help maintain world peace and increase mutual understanding between the people of the two countries.

He said the NPC is willing to increase contacts with the U.S. Congress.

Scheuer and Manuel Lujan, Jr., co-chairman of the delegation, said that they will work for the friendship between the peoples and parliaments of the two countries.

Earlier today, the NPC committee and the U.S. delegation held talks, at which the two sides exchanged views on issues concerning science and technology and population.

Song Jian Meets Delegation

OW151236 Beijing XINHUA in English 1147 GMT 15 Nov 86

[Text] Beijing, November 15 (XINHUA) -- Song Jian, state councillor and minister in charge of the State Science and Technology Commission, met here today a delegation from the House of Representatives of the United States Congress.

The delegation is led by James Haas Scheuer, chairman of the Congress Subcommittee on Natural Resources, Agriculture Research and Environment.

Song answered the visitors' questions concerning China's policy toward scientific and technological development and the Sino-U.S. scientific and technological exchanges.

ZHANG AIPING MEETS U.S. ARMY CHIEF OF STAFF

OW171314 Beijing XINHUA in English 1310 GMT 17 Nov 86

[Text] Beijing, November 17 (XINHUA) -- Chinese Minister of National Defense Zhang Aiping met here this evening with General John Wickham Jr., chief of staff of the United States Army.

The meeting was followed by a dinner hosted by Zhang who is also state councillor.

Also present were Xu Huizi, deputy chief of General Staff of the Chinese People's Liberation Army, and Zhang Zhen, president of the PLA National Defense University.

Earlier this afternoon, Xu Xin, another deputy chief of General Staff of the PLA, discussed with Wickham matters related to increasing exchanges between the two armies.

SAN FRANCISCO MAYOR IN SHANGHAI; ACCORDS SIGNED

OW151832 Beijing XINHUA in English 1721 GMT 15 Nov 86

[Text] Shanghai, November 15 (XINHUA) -- A memorandum on friendly exchange items between Shanghai and San Francisco for 1986-1988 was signed here today by Jiang Zemin, mayor of Shanghai, and Dianne Feinstein, mayor of San Francisco.

Since Shanghai and San Francisco established friendship ties in January 1979, the two cities have conducted 65 exchange items.

Today's memorandum specifies 40 items in the fields of trade and economy, legislative affairs, medicine, culture and art, city construction, science and technology, education and television.

This morning, Mayor Jiang Zemin, Wang Daohan, advisor to the Shanghai Municipal Government, and Mayor Feinstein cut the ribbon for the Shanghai-San Francisco Friendship Library.

A San Francisco-Shanghai Friendship Library will be opened in the University of San Francisco next year.

In the afternoon, Feinstein and her party discussed economic cooperation, trade and investment with Shanghai officials.

SECOND SINO-U.S. PACIFIC SURVEY BEGINS 15 NOV

OW151925 Beijing XINHUA in English 1840 GMT 15 Nov 86

[Text] Guangzhou, November 15 (XINHUA) -- The second Sino-U.S. West Pacific Survey began today with a Chinese survey vessel left on a 108-day, 15,000-nautical mile journey.

On board the "Xiangyanghong 5" are eight Chinese scientists, including two women, and 42 technicians. American and Australian experts will join with them.

The first survey was completed last February, covering topics related to ocean currents and oceanological biology, chemistry and meteorology.

These will be continued in the current survey, and new topics include solar radiation, officials here said.

The survey is expected to help improve weather forecasting and provide materials and dates for developing ocean resources, the official said.

RENMIN RIBAO ON 'DECLINE' IN U.S. STRENGTH

HK170323 Beijing RENMIN RIBAO in Chinese 13 Nov 86 p 6

["World Affairs" column by Chan Yang (2600 7122): "The Reason for a Nation's Rise and Fall"]

[Text] Not long ago when being interviewed by a reporter of the Brazilian magazine "READING," U.S. President Reagan said that although all major empires in history underwent a cycle of rising, reaching their prime, and declining, the United States will be "the first exception to this historical regularity" and it "will never decline."

Whether the United States has passed its prime and whether there will be an empire which never declines in human history are questions to be discussed by great theoretical works, and this short article cannot give an answer. As I view the long process of human history, I find that from ancient Egypt, the Roman Empire, the Tang Dynasty, and the Inca Empire to some modern colonial empires, all experienced a course of rising and falling without exception for various reasons, such as external invasion, domestic turmoil, indulging in wars of aggression, natural disasters, and changes in historical trends. While studying their history of rise and fall, we may find that a peaceful and stable domestic and external environment is a fundamental condition for a nation's development and prosperity. On the other hand, the chaos of war, especially wars of aggression, is an important reason for a nation's decline. Take the United States for example. In the first 100 years and more since its founding, it concentrated on domestic development and construction and the protection of the Pacific Ocean and the Atlantic Ocean, thus becoming of the strongest powers in the world. However, through a number of wars after World War II, its strength has begun to wane. All statesmen and historians should seriously study this historical experience.

It is quite understandable that the leader of a nation hopes that his country will always be prosperous and strong and will never decline. However, there must be a precondition for the realization of such a hope: Peace must be maintained for a long time. To maintain peace, the country not only must defend its security, but also must not carry out aggression and expansion. History has proved that the Five Principles of Peaceful Coexistence proposed by China and other Asian countries constitute an effective policy for maintaining lasting world peace and prosperity.

In today's world, the era of colonialism, in which weak nations were enslaved by powerful nations, has ended. No country now can become powerful and prosperous by practicing power politics and by aggression and plundering. The awakening people throughout the world need a peaceful environment without the threat of war and long for a happy life brought about by rapid economic development. All governments should comply with this historical trend and should work out their domestic and foreign policies to seek peace and development. Only thus can they be trusted by their own people and be supported by the international community, and can they maintain their national prosperity. If a government deviates from this premise, it will be merely wishful thinking if it believes that the nation's prosperity "will never wane."

PRC SIGNS CONTRACTS FOR U.S. ENGINE TECHNOLOGY

OW151508 Beijing XINHUA in English 1436 GMT 15 Nov 86

[Text] Beijing, November 15 (XINHUA) -- China will use U.S. technology to manufacture diesel engines for heavy-duty trucks, under a contract concluded here today.

State Councillor Zhang Jingfu attended the signing ceremony in the Great Hall of the People.

The contract allows China's Second Automobile Works in Shiyan, Hubei Province, to use U.S. knowhow to build 60,000 diesel engines of B series for trucks of three to eight tons when it is scheduled to go into operation in 1990.

Under the contract, the Cummins Engine Company of the United States will provide the designs and manufacturing technology while offering technical help in the plant.

In the next five years, the Second Automobile Works plans to build an engine workshop specializing in production of B series engines to pave the way for exports.

PRC SPOKESMAN DENIES REUTER REPORT ON KIM

OW171438 Beijing XINHUA in English 1432 GMT 17 Nov 86

["China Denies REUTER's Report About China's Disclosure of So-Called Assassination of DPRK President" -- XINHUA Headline]

[Text] Beijing, November 17 (XINHUA) -- China today denied REUTER's reports about disclosure of so-called assassination of President Kim Il-song of Democratic People's Republic of Korea by Chinese sources and China's protection of the killers.

A spokesman for the Chinese Foreign Ministry made the denial while answering questions raised by foreign journalists in Beijing.

The spokesman said that the REUTER's reports from Tokyo on November 17 asserted that the news about the so-called assassination of President Kim Il-song was disclosed by Chinese sources and the killers had fled to China and were now under Chinese protection.

"The above allegations are utterly groundless and fabricated with ulterior motives," he said.

TA KUNG PAO COMMENTATOR DISCUSSES KOREAN ISSUES

HK180121 Hong Kong TA KUNG PAO in Chinese 18 Nov 86 p 2

[Article by Shih Chun-yu: "New Changes Brewing on the Korean Peninsula"]

[Text] Kim Il-song's Safety [subhead]

Yesterday's rumors of the assassination of Korean Chairman Kim Il-song aroused serious attention among Asian countries and also in the United States and Western Europe. Although Pyongyang denied this news through its diplomats in Tokyo and Beijing, volumes of reports affirming or denying it continued to be put out by Seoul, Tokyo, Taipei, Washington, and even Eastern Europe. This spate of reports caused bewilderment and a lot of guesswork.

Whatever the truth of the matter, the current close international attention to moves in Pyongyang actually reflects a concern in all sectors about a deterioration of the situation on the Korean peninsula.

Pyongyang Tries Limited Opening Up [subhead]

Kim Il-song joined the Korean national democratic revolution in his youth. Since Korea finally gained independence at the end of World War II, he has led construction in the country for 40 years. He is now 74.

Some years ago foreign sources reported that there was a swelling tumor on his neck and he was not in good health. This stirred foreign attention in the Pyongyang succession question. In the past 2 years Kim Il-song's son Kim Chong-il has held a key post in the party, and the Korean press in its reports has clearly shown that he is Kim Il-song's heir. As a result his activities have been more and more closely watched abroad.

In recent years North Korea has started to apply a policy of limited opening up to the world. The government has promulgated regulations welcoming foreign investment, but this has not yet produced much result. North Korea faces difficulties in its foreign trade, exports, and economy.

Since smashing the "gang of four," China has implemented reforms and the policy of opening up to the world, with the result that the country's economy has been rapidly transformed. China maintains a peaceful foreign policy; it has stepped up economic, trade, and cultural exchanges, with the United States, Western Europe, Japan, and even with Eastern Europe and the Soviet Union. China and Korea are neighbors, and changes in China naturally have an impact on North Korea.

South Korea has recently hosted the Asian Games, and is actively preparing to host the Seoul Olympics in 1988. South Korea's economic development in recent years has made it difficult for the man-made divider, the 38th parallel, to block the people of North and South Korea in gaining mutual understanding of trends and news.

In recent years Pyongyang has proposed on many occasions that South and North Korea hold peaceful negotiations on the reunification of the motherland. These proposals have gained deep popular support. Last August, on the 40th anniversary of Korea's liberation, the Red Cross associations of South and North Korea organized groups for visits by relatives. There were moving scenes when the group members found their relatives in the other part of Korea, and these evoked warm response among the 58 million people of the entire Korean peninsula. This reflected the Korean people's strong demand and yearning for the reunification of the motherland. Unfortunately the two sides were unable to seize this chance to continue discussing reunification.

Democratization Demands in Seoul [subhead]

Since the conclusion of the Seoul Asian Games, university students in the city have held numerous demonstrations demanding the end of military rule in South Korea and the institution of a democratic system of government. These demands actually reflect the people's desires. This constitutes a serious test for the Chon Tu-hwan regime. South Korea regards these student activities as "communist-backed," and has suppressed them by force, but this can only make things worse.

Seoul recently accused North Korea of building a huge dam on the Han River north of the 38th parallel; if the dam happened to burst, the area south of the parallel would be inundated, and Seoul would even turn into a swamp. North Korea for its part has called for cohosting of the Seoul Olympics. The two sides have held several discussions on this without reaching any agreement. All these constitute hidden new factors for uneasiness on the Korean peninsula.

Against this background, the question of the safety of Pyongyang's supreme leader Kim II-song cannot but cause all sectors to ponder in conjunction Pyongyang's future political development and its impact on the situation in the Korean peninsula and indeed on Asia.

LIAONING DELEGATION RETURNS FROM DPRK

SK171216 Shenyang LIAONING RIBAO in Chinese 2 Nov 86 p 1

[Text] The Liaoning provincial procuratorate delegation headed by Hu Qicheng, chief procurator of the provincial People's Procuratorate, successfully concluded its visit to Sinuiju City of North Pyongan Province, Pyongang City, Nampo City, Kaesong City, Panmunjom, and Hyangsan County, in the DPRK and returned to Shenyang City on 30 October. During its stay in the DPRK, the procuratorial workers of the two countries exchanged their experiences gained in procuratorial affairs.

LAOS CALLS FOR BETTER TIES WITH PRC, THAILAND

OW141232 Beijing XINHUA in English 1203 GMT 14 Nov 86

[Text] Beijing, November 14 (XINHUA) -- Laotian leader Kaysone Phomvihan opened the Fourth Congress of the Lao People's Revolutionary Party Thursday, calling for better relations with China and Thailand, and accusing the United States of interfering in Laos, according to reports from Vientiane today.

Kaysone, party secretary general and prime minister, said that Laotian efforts to maintain good relations with China have continued without interruption.

"We are sincere about maintaining friendship with the Chinese people," he said, hoping that the relations between the two countries will be normalized on the basis of mutual respect of sovereignty and territorial integrity.

Speaking at the congress, Kaysone, 65, demanded that the United States cease all acts of interference in Laos' internal affairs "to pave the way for the normalization of relations between the two countries."

"As for our relations with the United States, we have expressed our good intentions through actual deeds, especially in searching for the remains of the missing Americans," he said.

On relations with Thailand, he said the Laotian Government will make every effort to create all favorable conditions to increase mutual understanding and trust.

He blamed rightists in Thailand for tensions between the two countries in recent years. The problems remaining between the two countries can be solved through negotiations, he added.

Kaysone said Laos was "ready to cooperate with ASEAN and other countries in this region to turn it into a zone of peace, stability, friendship, and cooperation." He mentioned ties between China and the Soviet Union, Hanoi and Beijing and Indochina and ASEAN areas where tensions could be reduced.

Kaysone, who has led the Lao People's Revolutionary Party since its founding in 1955, said corruption and inefficiency still exist in the impoverished nation with a population of 3.5 million.

He admitted Vientiane has not developed its army, transport, agriculture or light industry sufficiently and said the new five-year plan will address these problems.

The party congress is the second since the Pathet Lao toppled the U.S.-supported Royal Lao Government in 1975 and seized control of the poor, land-locked country.

The congress is expected to ratify reforms meant to decentralize the economy and diversify exports, develop light industry, and to define foreign policy objectives such as the normalization of relations with neighboring China and Thailand.

Western diplomats expected possible additions to the party Politburo, which has seven aged leaders. Prince Souphanouvong, party founder and Politburo member, who stepped down at least temporarily from the state presidency on October 29 due to failing health, attended the congress.

Three hundred delegates representing 44,000 party members and delegates from 19 foreign countries including the Soviet Union and Vietnam were at the meeting.

PRC Welcomes Lao Offer

BK151406 Hong Kong AFP in English 1354 GMT 15 Nov 86

[Text] Beijing, Nov 15 (AFP) -- China welcomed Saturday a call by Laos for better Sino-Lao relations, in what Western diplomats described as a fresh sign of recently improved atmosphere between the two countries.

"Laos hopes to improve the relations with its neighbours and we think this merits welcome," a Foreign Ministry spokesman said.

Laotian leader Kaysone Phomvihan called for normalization of ties between the two nations at a party congress in Vientiane Friday. "As for the relations between China and Laos, China has always maintained a positive attitude," the spokesman said.

Western diplomats said Mr Kaysone's remarks, reported by the NEW CHINA NEWS AGENCY (NCNA), and the Chinese response were a fresh indication of China's willingness to improve relations with Laos, separate from the Sino-Vietnamese conflict concerning Vietnam's presence in Cambodia.

China has long sought to deal with Vietnam, Cambodia and Laos separately rather than Indochina as a group, analysts said.

The diplomats recalled recent press reports of a Chinese deputy prime minister travelling to Vientiane for talks. China denied this but it appeared that there may have been talks between the two sides, possibly in Bangkok, diplomats said.

Mr Kaysone, 65, was quoted by NCNA as saying that Laos sought better relations with China and Thailand. He also was reported to have urged the United States to cease interfering in Laos' internal affairs to pave the way for normalized relations between Vientiane and Washington.

A poor, landlocked nation of 3.5 million people, Laos has become Soviet-backed Indochina's front-line state in Soviet Leader Mikhail Gorbachev's call for decreased tension in the region.

Analysts here said this was because Laos is not directly involved in the Cambodian conflict.

(Reports from Bangkok earlier Saturday said that Cambodian communist leader Heng Samrin issued a stern warning at the Laotian party congress against Western "intrigues" to separate Laos from Vietnam and Cambodia.)

(The party congress, the second since the communist Pathet Lao seized power in Vientiane in 1975, was to end Saturday.)

ZHAO ZIYANG ADDRESSES ASIA-PACIFIC SEMINAR

OW121316 Beijing XINHUA in English 1259 GMT 12 Nov 86

[Text] Beijing, November 12 (XINHUA) -- The four-day Conference on Asian-Pacific Economy Towards the Year 2000 opened here today at the Great Hall of the People with Chinese Premier Zhao Ziyang offering congratulations.

The conference was co-sponsored by the Asian and Pacific Development Center, the Chinese Academy of Social Sciences and the Research Center for Economic, Technological and Social Development under China's state council. [paragraph continues]

Over 100 officials, scholars and specialists from 15 countries and regions are attending the meeting, which will focus on discussing the factors that affect the economic development in Asian and Pacific region and economic cooperation among the countries in this region.

The conference is the first in a series to be organised by the Asian and Pacific Development Center as an effort to provide a forum on the economic future for the Asian and Pacific region.

Speaking at the opening session, Premier Zhao said, the past two decades have seen rather spectacular economic growth in this region. "It is generally accepted that the Asian-Pacific region is now one of the regions with most dynamic economic growth," he said. "By the end of this century, its economic strength will have grown further. This will not only bring benefits to the people in the region but also exert a far-reaching influence on the world economy."

Zhao said it is a challenge to the Asian-Pacific countries as to how to keep the momentum of their sound economic growth in the years to come and make the magnificent prospect of the region's economic development in the year 2000 a reality.

"As Asian-Pacific countries differ in their ideologies and social systems, participants in regional economic cooperation should respect each other politically and act on the principle of equality and mutual benefit economically, understand and respect each other's needs and interests." The Chinese premier said.

Zhao said the Asian-Pacific countries have their advantages and need each other in terms of capital, technology, market, natural and human resources. "They should increase their exchanges and promote cooperation," he said. "Particularly in the course of achieving common development and prosperity in their march towards the year 2000, major development countries in this region should make greater contributions in regard to capital, technology and market."

He declared the Chinese Government's basic position on the Asian-Pacific economic cooperation is to respect each other, strengthen exchanges and seek common progress on the basis of equality and mutual benefit. "We are also ready to work together with other Asian-Pacific countries to explore ways and means for regional cooperation," Zhao said.

"As times goes by," he said, "China's policy of opening to the outside world will be implemented in greater depth and breadth, and China will have even closer economic contacts with other regions."

The premier said China cannot possibly develop its economy without cooperation with the rest of the region. "China, with its economy developed, will in turn make its own contributions to the common progress and prosperity of the region," he stressed.

XINHUA ANALYZES SAARC SUMMIT CONCLUSION

OW172050 Beijing XINHUA in English 1545 GMT 17 Nov 86

["News Analysis: Slow but Unending Progress for SAARC (by Tan Renxia, Xuan Zengpei)"
-- XINHUA headline]

[Text] Bangalore, India, November 17 (XINHUA) -- As the Second Summit of the South Asian Association for Regional Cooperation (SAARC) concluded here today, one might predict a slow but unending progress for the future course of the SAARC which was launched last December in Dhaka.

Two kings, three presidents and two prime ministers from Bangladesh, Bhutan, Maldives, Nepal, Pakistan, Sri Lanka and host India met here for the last two days to find out how to minimize their differences and promote SAARC.

They have decided to make a permanent SAARC secretariat function next January in Katmandu, to set up two pioneer centers for cooperation, and to meet annually for consultation and discussion on SAARC -- the next meeting in Katmandu in 1987 and the 1988 one in Sri Lanka.

They have also agreed to launch more joint programs on child health and women in development, wage common fights against drug trafficking and abuse, and terrorism.

Other agreed cooperative projects include a tourism-boosting currency interchange agreement, a SAARC documentation center for academic exchanges, a youth volunteers plan for agricultural and forestry extension and a South Asian broadcasting program.

SAARC may be seen to have progressed very slowly, considering that nearly one year time has been taken to labor out the above outcomes. But, bearing in mind the thorny bush of regional and bilateral controversies, one can deem the outcomes as a heartening progress.

All South Asian nations have been plagued by poverty, diseases and illiteracy and above all, differences, disputes and mutual suspicions and sometimes hatreds rooted from a common colonial past. This makes South Asia the world's last region to have a regional forum.

The present outstanding bilateral disputes include India's accusation of the alleged Pakistan support for Sikh militants in its troubled Punjab province, the reported Pakistan nuclear development program and Sri Lanka's suspicion of Indian support for its minority Tamil separatists.

Other issues include the Indo-Bangladesh sharing of the common Ganges River resources and their disputes over the ownership of a newly emerged island in the Bay of Bengal.

Some of the issues seemed to have deteriorated in the past few months. Despite of this, the second regional summit was materialized as scheduled in this scenic southern Indian garden city.

During the meeting, more than a dozen rounds of bilateral exchanges of views were held informally in a relaxing mood, and this has, according to one senior SAARC delegation official, bettered mutual understanding and trust.

Meanwhile, the meeting demonstrated the goodwill and resoluteness of the seven nations to push SAARC forward, and they all know time and patience are needed to nurture wounds and drive away misunderstandings, suspicions and hatreds.

"The progress we make in strengthening our association may continue to be slow," rightly remarked Maldives President M.A. Gayoom. However, SAARC has become a good wish of the teeming billion people of the region who will not tolerate any wish breaker, the president stressed.

ZIAUL HAQ DENIES PAKISTAN CONDUCTED NUCLEAR TEST

0W060841 Beijing XINHUA in English 0740 GMT 6 Nov 86

[Text] Islamabad, November 6 (XINHUA) -- President Ziaul Haq strongly refuted the report that Pakistan had conducted atomic tests.

Talking to newsmen in Lahore, about 300 km southeast of Islamabad yesterday, the president said the report was baseless and wrong. He stressed that Pakistan had not conducted any atomic test at any place.

He also said Pakistan had no intention to use nuclear technology for manufacturing atomic weapons but only to use it for peaceful purposes.

THE WASHINGTON POST in a lead story published on November 4 said Pakistan had detonated a high explosive device between September 18 and September 21 as part of its continuing efforts to build an implosion-type nuclear weapon.

AFGHANS KILL MORE SOVIET, KABUL TROOPS

0W131028 Beijing XINHUA in English 0833 GMT 13 Nov 86

[Text] Islamabad, November 13 (XINHUA) -- Over 100 Soviet-Kabul troops were killed by Afghan resistance forces in the country's south province of Helmand on October 28, the Agency Afghan Press (AAP) reported today.

In a Muslim resistance-launched attack on a big convoy of Soviet-Kabul troops, eleven Soviet tanks and vehicles were destroyed.

The convoy, comprising 200 tanks, armored vehicles, trucks and oil tankers, was moving eastwards to Qandahar Province. The guerrillas got the information in advance and conducted a rocket attack, creating a havoc for the convoy.

However, the report said, ten guerrillas lost their lives and 13 others were wounded.

According to the agency, this was the biggest operation conducted so far by the freedom fighters in the province this year.

HUANG HUA MEETS BANGLADESH PARTY DELEGATION

0W121354 Beijing XINHUA in English 1310 GMT 12 Nov 86

[Text] Beijing, November 12 (XINHUA) -- Huang Hua, vice-chairman of the Chinese National People's Congress Standing Committee, met a delegation from the Bangladesh Jatya Sramik Party led by its President Arshad Hossain here today.

The delegation is here on a visit to China as guests of the All-China Federation of Trade Unions.

KUWAITI FINANCE MINISTER ON VISIT TO PRC

Arrives 13 November

LD131502 Kuwait KUNA in English 1233 GMT 13 Nov 86

[Text] Beijing, Nov 13 (KUNA) -- Kuwait's Minister of Finance and Economy Jasim Muhammad al-Kharafi and the delegation accompanying him arrived here Thursday on an official five-day visit to China at the invitation of Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin.

On arrival, Al-Kharafi was received by the Chinese deputy minister of economic relations and trade and the acting charge d'affaires at Kuwait's embassy here 'Abdallah Massud 'Abdallah and the financial attaché at the embassy Saleh Rafhed al-Sulayman [name as received].

In a statement to KUNA on arrival, Al-Kharafi said the development of bilateral economic relations will be the most important topic to be discussed during the visit, in addition to means of developing trade exchange and spheres of investments in China.

Exploring the possibility of participation by Kuwaiti financial companies in financial operations in China and following up the activities of Kuwait fund for economic development in China will also be among the objectives of the visit, Al-Kharafi also said.

Zheng Tuobin will hold a dinner banquet in honor of Al-Kharafi this evening, and the official talks are due to start tomorrow.

Zheng Tuobin Meets Minister

OW141209 Beijing XINHUA in English 1124 GMT 14 Nov 86

[Text] Beijing, November 14 (XINHUA) -- Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin met Kuwaiti Minister of Finance J.M. al-Kharafi and his party here today.

The two sides exchanged views on expanding economic and trade cooperation between the two countries.

The Kuwaiti visitors arrived here Thursday as guests of the Chinese ministry.

Relations Discussed

LD142227 Kuwait KUNA in Arabic 1527 GMT 14 Nov 86

[Text] Beijing, 14 Nov (KUNA) -- Officials talks between the People's Republic of China and the State of Kuwait began here today. Jasim Muhammad al-Kharafi, the minister of finance, headed the Kuwait side and Zheng Tuobin, the Chinese minister of foreign economic relations and trade, headed the Chinese side at the talks.

Jasir Muhammad al-Khurafi, the finance minister, has stated to KUNA that the bilateral relations between the two countries were reviewed, particularly those pertaining to the activities of the Kuwaiti Fund for Economic Development as well as those projects being financed by it in China, which the Chinese side fully appreciate.

Efforts exerted to form a company for financial services between the two countries were followed up to open the door for the benefit of the two countries' financial institutions, he asserted. The minister added that the possibility of increasing trade exchanges between the two countries was also discussed, particularly Kuwait's exports of fertilizer and refined oil products to the People's Republic of China.

He pointed out that last October Kuwait ratified an agreement encouraging and protecting investments between the two countries. Desiring to follow up the implementation of these agreements, the two sides have decided to form a joint committee, to take care of economic, financial and trade issues as well as to follow up the implementation of this agreement and find solutions to problems that might hinder its implementation. This joint committee will also work to develop economic and investment matters between the two countries, he added.

Loan Agreement Signed

LD151652 Kuwait KUNA in English 1309 GMT 15 Nov 86

[Text] Beijing, Nov 15 (KUNA) -- The Kuwait Fund for Arab Economic Development agreed Saturday to grant China two million Kuwaiti dinars (about seven million dollars,) in loan to help Beijing finance a ceramic factory.

The loan agreement was signed here by head of China's building material department Lin Hanxiong and the Kuwaiti fund director general, Bayr Meshari al-Homeidi [name as received] who is accompanying Minister of Finance and Economy Jasim Muhammad al-Kharafi on an official visit here.

The loan is estimated to cover one third of the ceramic factory cost and the project which has just started is expected to be completed [words indistinct].

The loan, which bears a five percent annual interest plus half percent in services, is repayable in 30 bi-annual installments after a three-year grace period.

Minister Al-Kharafi who attended the loan agreement signing ceremony praised the growing cooperation between the Kuwaiti fund and China since the two sides began contacts five years ago and he noted that such cooperation has thus far involved eight development projects in China.

The Kuwaiti official recalled that the Kuwaiti fund had provided these projects with soft loans worth 60.6 million (about 205 million dollars).

Cooperation between the fund and China is further projected to translate into another loan to China to the tune of kd [Kuwaiti dinars] six million, according to Al-Kharafi who is also board chairman of the Kuwait Fund for Arab Economic Development.

The minister said in his address that in addition to soft term loans the fund has also encouraged Chinese firms to operate in other Asian and African nations which receive financial aid from the Kuwaiti fund.

Al-Kharafi noted that the fund's loans and grants extended to developing nations have now totalled kd 1.4 billion (about 4,750 billion dollars).

He said such cooperation based on mutual respect and reciprocal benefits is viewed by Kuwait as an example of relations between nations that should be fostered and consolidated.

Zhao Ziyang Meets Minister

OW151515 Beijing XINHUA in English 1455 GMT 15 Nov 86

[Text] Beijing, November 15 (XINHUA) -- Chinese Premier Zhao Ziyang today called for an early end to the destructive war in the Gulf region.

At a meeting with Kuwaiti Minister of Finance J.M. al-Kharafi and his party here this afternoon, Zhao said China will continue its efforts to promote peace and stability in the region, and will, as always, support the just struggle of the Arab and Palestinian peoples.

Zhao said the economic and technological relations between China and Kuwait have developed rapidly and their political ties are also very good because both countries belong to the Third World and share identical or similar views on many international issues.

As one aspect of China's policy of opening to the outside world, he said, China welcomes investment from other countries, including the establishment of wholly-foreign-owned enterprises or joint ventures in the form of loans.

He welcomed Kuwaiti entrepreneurs to invest or run enterprises in China.

He assured the Kuwaiti visitors that foreign investment in China is guaranteed, saying that China has taken and will continue to take measures to improve investment environment.

Al-Kharafi said the amir and prime minister of Kuwait attach great importance to expanding ties with China. The significance of Kuwaiti-Chinese cooperation is reflected not only in the economic fields but also in their adherence to common principles.

He said his talks with the Chinese side during the visit have reached positive results, which will promote the two countries' economic relations.

He said Kuwait will push other Gulf countries to join it in investing in China.

He also praised China for its position regarding the just struggle of the Arab people in general and the Palestinian people in particular.

KUNA Reports Meeting

LD160101 Kuwait KUNA in English 1946 GMT 15 Nov 86

[Text] Beijing, Nov 15 (KUNA) -- Chinese Premier Zhao Ziyang met here this evening with the visiting Kuwaiti Minister of Finance Jasim al-Kharafi, currently on a week-long visit to China. Al-Kharafi told KUNA after the meeting that Premier Zhao Ziyang has praised the close relations binding Kuwait to China and underscored Kuwait's leading role in supporting development efforts in the developing countries and her positive policy of neutrality and nonalignment.

The head of the Chinese State Council, according to the official, also lauded Kuwait's wise policy, as charted by H.H. the amir and H.H. the crown prince and prime minister.

Premier Zhao Ziyang further expressed complete satisfaction with the progress of talks now under way between the Kuwaiti and Chinese sides, Al-Kharafi indicated, adding that Zhao Ziyang has referred to the joint investment projects planned to be undertaken in China and underlined interest in the success of current talks between the two countries' delegations.

The official said the Chinese leader has renewed his country's support of the just struggle waged by world peoples, particularly that of the Palestinians and expressed China's concern with the cause of security and stability in the Gulf region as well as Beijing's sustained efforts to restore peace in the region. Pointing to China's open-door economic policy, Premier Zhao Ziyang told his Kuwaiti guest that China welcomes foreign investment and hopes for increased Kuwaiti investments.

On behalf of Chinese President Li Xiannian, Zhao Ziyang conveyed through Al-Kharafi greetings and renewed the invitation to H.H. the amir of Kuwait to visit China.

He also conveyed [word indistinct] greetings to H.H. the crown prince and prime minister, hoping to see the two Kuwaiti leaders soon in Beijing, Al-Kharafi said.

During earlier meetings with the governor of China's People's (central) Bank, Chen Muhua and Finance Minister Wang Bingqian, who are also members of financial cooperation between Kuwait and China. [sentence as received]

The visiting official welcomed cooperation between the two central banks, indicating to the existence of vast fields for financial coordination between the two institutions.

On her part, Chen Muhua praised the positive contribution by Kuwait Fund for Economic Development in Chinese development projects and explained investment opportunities and facilities offered to individual or government investments.

During the meeting held at the Great Hall of the People, China's State Councilor and Finance Minister Wang Bingqian also reviewed with Al-Kharafi the excellent relations between the two countries and praised the role played by the Kuwait Fund in advancing the economic process in developing states, particularly in China.

Councilor Wang Bingqian also urged continued South-South dialogue and cooperation and spoke of the attitude developing countries should adopt in world forums, tackling issues of development.

Cooperation Accord Initialled

OW151916 Beijing XINHUA in English 1855 GMT 15 Nov 86

[Text] Beijing, November 15 (XINHUA) -- An agreement on the establishment of a joint committee for economic, technological cooperation and trade between the Governments of China and Kuwait was initialled here tonight.

The signatories to the document were Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin and Kuwaiti Minister of Finance J.M. al-Kharafi.

The main tasks of the committee are to inspect the implementation of the signed agreements between the two countries on economic and technological cooperation, trade and investment protection, as well as cooperative projects proposed by the two countries.

Earlier today, State Councillor and Minister of Finance Wang Bingqian and State Councillor and Governor of the People's Bank of China Chen Muhua met Al-Kharafi and his party on separate occasions.

During the meetings they expressed the hope for further development of bilateral economic, scientific and technological cooperation and trade.

This afternoon, Lin Hanxiong, director of the state administration of building materials industry, signed a loans agreement with Bayr Meshari Al-Homeidi, general manager of the Kuwaiti Arab Foundation for Economic Development. According to the agreement the foundation will provide loans to the Qilu Building Ceramics Plant in Shandong Province.

Zhang Jingfu Meets Minister

OW161546 Beijing XINHUA in English 1454 GMT 16 Nov 86

[Text] Beijing, November 16 (XINHUA) -- State Councillor Zhang Jingfu met and feted Kuwaiti Minister of Finance J.M. al-Kharafi and his party here this evening.

Zhang told the visitors that the Kuwaiti minister's visit had greatly promoted economic cooperation between the two countries.

He thanked Kuwait for its efforts in promoting cooperation between China and other countries in the Gulf region.

Zhang and Al-Kharafi also exchanged ideas on Kuwaiti investment in China and its loans to China.

The Kuwaiti minister and his party will leave here for Fuzhou and Xiamen tomorrow.

Minister Meets Chen Muhua

LD162049 Kuwait KUNA in English 1715 GMT 16 Nov 86

[Text] Beijing, Nov 16 (KUNA) -- Kuwaiti Finance Minister Jasim al-Kharafi conferred here Sunday evening with Chinese councillor at the State Council and governor of China's People's (central) Bank, Chen Muhua.

The meeting reviewed executive steps in respect of projects agreed upon during the recent visit made to Kuwait by the Chinese official and obstacles facing implementation of some projects.

Following the talks, Councillor Chen hosted a dinner in honour of Al-Kharafi and the delegation accompanying him.

An agreement was signed last night between Kuwait and People's China on the setting up of a joint economic commission to follow up implementation of the three agreements concluded on economic and technical cooperation, trade exchange and encouragement and protection of investments.

The committee, which will meet annually in Beijing and Kuwait, will recommend new spheres for economic and trade cooperation and will consider projects submitted by each side as well as determining the party responsible for its execution.

Al-Kharafi signed the agreement for Kuwait while the Chinese minister for foreign economic relations and trade, Zheng Tuobin, signed on behalf of his government.

Shortly after the ceremony, Minister Zheng was the guest of honour at a farewell dinner hosted by Kuwaiti Finance Minister Jasim al-Kharafi. Addressing his guest, Al-Kharafi conveyed greetings from H.H. the amir, government and people of Kuwait to the Chinese leadership and people and expressed Kuwait's pride in the existing close relations binding it to China, based on solid foundations of fruitful exchange and reciprocal respect.

The Kuwaiti official underlined his country's unfailing efforts to further consolidate economic and trade ties with Beijing and hoped for more efforts by both sides so that these ties would reach an advanced stage.

Praising China's just and honourable stance in supporting the just Arab causes, particularly the Palestinians' right to regain their land to live freely on their national soil, Al-Kharafi urged a significant Chinese role in contributing to maintenance of peace and stability in the Gulf region and effective efforts, as leading member of the group of developing countries, to halt the ongoing war between Iraq and Iran.

CHENG MING DISCUSSES SETBACK FOR REFORMISTS

HK120935 Hong Kong CHENG MING in Chinese No 109, 1 Nov 86 pp 6-10

[**"Notes on a Northern Journey"** by Luo Bing (5012 0393): "Reformists Suffer Setback for the First Time" -- capitalized passages published in boldface]

[Text] An Unprecedented Quarrel [subhead]

In October, Beijing was decorated with flowers and colorful banners. However, under the beautiful packaging lay some hidden apprehensions.

The apprehensions are caused by opinions concerning the 6th Plenary Session of the 12th CPC Central Committee, the news that the contradictions between the liberals and dogmatists have become acute, the unresolved difficulties in the economic reform, and the political reform which may be seen in the distance but which cannot be approached.

In fact, only a few people know the truth about the 6th Plenary Session of the 12th CPC Central Committee. Nevertheless, the situation viewed only from a 1-cm-wide crack is sufficient to add 50 pounds to the heavy hearts of those who are concerned about the country and the people. As for those reformists who know the truth, they are laden with more anxieties. The information given me by several well-informed persons in political circles can be summarized as follows: The inner quarrels and arguments during the 6th Plenary Session of the 12th CPC Central Committee were unprecedentedly fierce as compared with any other party meetings held in the Deng Xiaoping era.

It is really not good at all that the conservative forces got the upper hand in this battle and the reformists suffered a setback for the first time.

The Pace of the Reformists Is Upset [subhead]

Generally, people believe that the 6th Plenary Session of the 12th CPC Central Committee consisted mainly of preliminary meetings. The preliminary meetings were held in two stages: The summer capital (Beidaihe) conference and the Beijing conference. The former were those various medium-sized or small meetings lasting for nearly 5 weeks. The latter were those formal preliminary meetings lasting for 5 days (beginning from 22 September). The formal meeting of the 6th Plenary Session of the 12th CPC Central Committee was held on 28 September. It lasted for only 1 day and closed after passing the two resolutions: The "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Society With an Advanced Culture and Ideology" and the resolution on convening the 13th national party congress in October of next year.

Before the summer capital conference, originally the reformists planned to discuss and resolve four issues at the 6th Plenary Session of the 12th CPC Central Committee: First, to begin to discuss the political structural reform; second, to consider and talk over the list for candidates for successors to be decided at the 13th party congress next year; third, to review the economic reform and the state of opening up to the outside world; while the fourth issue concerned the building of spiritual civilization. [paragraph continues]

However, at the summer capital conference, as the discussion of all these issues could not be concluded and the draft resolution regarding the building of spiritual civilization also touched off a string of quarrels and arguments, it was finally decided that the 6th Plenary Session of the 12th CPC Central Committee would only discuss the draft resolution regarding the building of spiritual civilization (the resolution on the 13th national party congress hardly needed to be discussed). This means that the original plan of the reformists was upset.

The Main Drafter of the "Resolution" Is Zhen Bijian [subhead]

The draft of the "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Society With an Advanced Culture and Ideology" (to be called the "resolution" hereinafter) was changed on nine occasions. The intense struggles between the liberals and dogmatists continued throughout the course of the changes.

The draft "resolution" was first considered and discussed by the Secretariat of the Central Committee. Later on, it was personally drafted by Zhen Bijian, the senior secretary of Hu Qili and Hu Yaobang and the head of the drafting group for documents of the Central Committee. The drafting began in January of this year.

In March, the Secretariat of the Central Committee sent the first draft to the influential, responsible CPC leaders of various circles to solicit opinions. One of these leaders was Deng Pufang, the son of Deng Xiaoping. In recent years, this handicapped leader has been vigorously advocating "socialist humanism," believing that "socialist humanism should become one of basic ideologies of socialism" and that "in China the influence of feudalism is greater and more deep-rooted. As compared with capitalism, feudalism is more cruel and inhuman. Therefore, on the issue of taking what attitude is taken toward the handicapped, China's foundation is far more backward than the Western countries." He appealed that "the theoretical circles should strive to study those aspects of humanism common to the Western countries and ourselves, so as to make us inherit the spiritual wealth of bourgeois humanism and build our spiritual civilization." This was the opinion of Deng Pufang on the first draft of the "resolution." After collecting the opinions of every side, the Secretariat revised and supplemented the first draft. The documents sent to the important leaders at Zhongnanhai before the summer capital conference was not the first draft but the fourth.

"Anti-Liberalization" Stirs Up a Marathon Quarrel [subhead]

While the Secretariat was discussing and revising the draft "resolution," Deng Liqun and others kept insisting on writing "opposing bourgeois liberalization" into the "resolution" and energetically tried to delete some relevant paragraphs which were disadvantageous to the dogmatists. In the draft "resolution" submitted to the summer capital conference, the ultraleft statement regarding "opposing bourgeois liberalization" is as follows:

"ENGAGING IN BOURGEOIS LIBERALIZATION IS FUNDAMENTALLY CONTRARY TO THE INTERESTS OF THE PEOPLE AND THE HISTORICAL TREND AND IS THEREFORE RESOLUTELY OPPOSED BY THE VAST NUMBERS OF THE PEOPLE."

Because of this single statement, a mighty uproar was set off at the Beidaihe conference and the quarrel was unprecedently fierce.

Qin Chuan, the former director of RENMIN RIBAO, first voiced his objection to this statement but it was rebutted by Bo Yibo.

Later on, the "brave confessor" Lu Dingyi stood up and appealed loudly that "We should never write bourgeois liberalization into the resolution!" This was echoed by Wan Li in support of Lu Dingyi.

Nevertheless, Bo Yibo and another important member of the military committee opposed the opinion of Lu Dingyi and Wan Li.

Lu Dingyi Strikes the Table and Withdraws Due to Illness [subhead]

The two sides opposed each other sharply and persisted in their own opinions. The atmosphere was very tense and it is said that Lu Dingyi struck the table on one occasion.

Some other people also took their sides but heirs to some important leaders did not openly and explicitly air their views.

An authoritative person refuted Lu Dingyi at the conference, saying that "bourgeois liberalization does exist. And Wei Jingsheng and Wang Ruowang are the representatives of bourgeois liberalization!" Surprisingly, this old man was one of the reformists, which made the emotionally excited Lu Dingyi very sad. Feeling very angry, he had a recurrence of an old illness and withdrew from the conference.

The attitude of Hu Yaobang should have been decisive. However, he only said that "Since we have such a big difference of views, we had better solicit the opinions of more old comrades."

Therefore, the document was passed to Chen Yun. Being a supporter of Hu Qiaomu and Deng Liqun and talking in much of the same language, after listening to the report, he said firmly that "opposing bourgeois liberalization should be written into the resolution."

After reading the document, Zhao Ziyang handled this thorny issue very ingeniously. He said that "Since some people insisted on writing it in, we should write it in. We can correct it later on."

The Reformists Give Up Under Pressure [subhead]

Outside the conference, Deng Xiaoping gave an instruction that the sentence on opposing bourgeois liberalization could be included in the resolution but the concept of "opposing bourgeois liberalization" must be defined in a sentence lest some people might wilfully criticize and oppose trivial matters as "liberalization." Deng Xiaoping said that it could be written thus: "Engaging in bourgeois liberalization is equivalent to taking the capitalist road." [paragraph continues]

In other words, in the future only those grave blunders which are tantamount to "taking the capitalist road" can be criticized as "being liberalized." And other errors cannot be counted as "being liberalized." This is a trick of *reductio ad absurdum* similar to analogical logic (something like negating a matter after affirming it) played by the experienced and astute Mr Deng. Finally, in the light of Deng Xiaoping's instruction, the drafting personnel added a supplement to the sentence concerning opposition to liberalization:

"ENGAGING IN BOURGEOIS LIBERALIZATION, NAMELY, NEGATING THE SOCIALIST SYSTEM AND FAVORING THE CAPITALIST SYSTEM, IS FUNDAMENTALLY CONTRARY TO THE PEOPLE'S INTERESTS AND IS THEREFORE FIRMLY OPPOSED BY THE VAST NUMBERS OF THE PEOPLE."

It seems that after the qualification of "namely, to negating the socialist system and favoring the capitalist system" is added to "liberalization," the sentence would not be easily used by some people to indiscriminately brand people with the label of "liberalization." Thus, the dogmatists, the intermediate forces, and the liberals all reluctantly accepted the change.

One Footprint of Retreat After Another [subhead]

This is a concession by the reformists under pressure from the conservatives.

In fact, concessions occurred on more than one occasion, even on more than two or three occasions.

Originally, the first draft contained statements which were obviously directed against the ultraleft people like Hu Qiaomu, Deng Liqun, and so on.

"OVER A PERIOD OF TIME, IT HAS SEEMED TO SOME COMRADES THAT THE AIM OF BUILDING SPIRITUAL CIVILIZATION LIES MAINLY IN "PREVENTION" AND USING THE BUILDING OF SPIRITUAL CIVILIZATION TO RESIST SOME PASSIVE INFLUENCES EMERGING FOLLOWING THE REFORM AND OPENING UP TO THE OUTSIDE WORLD. THE REASON THE BUILDING OF SPIRITUAL CIVILIZATION HAS NOT YET FULLY BROUGHT INTO PLAY ITS ROLE OF PROMOTING THE REFORM AND OPENING UP TO THE OUTSIDE WORLD IS RELATED TO THIS KIND OF ONE-SIDED UNDERSTANDING."

"IF WE EXAGGERATE THE PASSIVE INFLUENCES FROM FOREIGN COUNTRIES AND BASE OURSELVES UPON "REJECTING AND RESISTING FOREIGN INFLUENCES," WE WILL SURELY ADVERSELY AFFECT THE PROGRESS OF THE MODERNIZATION DRIVE."

"IF WE DO NOT THOROUGHLY GET RID OF THE ERRONEOUS INFLUENCE OF THE "LEFTIST" PRACTICES OF "MASS ELIMINATION" AND "MASS CRITICISM," a state of imaginary fears and desolation and a situation in which the scientific, educational and cultural undertakings stagnate and wither will surely arise in the spiritual sphere and the abnormal phenomenon of the building of spiritual civilization and the building of material civilization opposing and checking each other will also be brought about.

Opposed by the conservatives in the form of striking the table, these passages were all deleted and did not appear when the fourth draft was put on the table at the summer capital conference. This shows that the ultraleft forces held the trump card in the battle of Beidaihe while the reformists left one footprint of retreat after another before and during the conference.

The "Verbal Battle" at the Conference [subhead]

Of course, during the marathon conference, the situation was not overwhelming from beginning to end.

Regarding some paragraphs in the draft "resolution," despite the opposition of the conservatives, the liberals persisted in keeping them. For example:

"IN THE STRUGGLE OF HUMAN HISTORY AGAINST FEUDAL AUTOCRACY, THE BURGEONING BOURGEOISIE AND THE LABORING PEOPLE CULTIVATED THE CONCEPTS OF DEMOCRACY, LIBERTY, EQUALITY, AND UNIVERSAL FRATERNITY. THIS WAS A GREAT LIBERATION OF THE HUMAN SPIRIT."

This passage, in particular the term "great liberation," was rather controversial. In the end, it remained unchanged, due to the persistence of Hu Yaobang and Zhao Ziyang.

Another example is the "left" statements written into the fourth draft, such as "MARXISM IS THE CENTRAL GUIDING IDEOLOGY FOR SPIRITUAL CIVILIZATION," "POLITICAL WORK IS THE LIFELINE OF ALL WORKS," and so on. As planned and organized by Hu Yaobang and Zhao Ziyang and their brain trusts, these ultra-left statements were negated at one stroke and could not appear in the final draft.

Nevertheless, whether to keep a couple of words or to delete a couple of words, the liberals had to fight arduously. Just like house-to-house fighting in an in street battle, there was a verbal battle at the conference.

A Compromise That Is Not on the Basis of Equality [subhead]

Nevertheless, the liberals made greater concessions. Therefore, the "resolution" can by no means be regarded as the outcome of compromise on the basis of equality.

Why were the liberals in a position of inferiority at both the summer and Beijing conferences?

One reason was that the mainland's financial situation was not good in the first half of this year, with gigantic deficits and increasing defects in the economic reform. At the same time, some new problems had emerged in foreign trade and foreign capital. Seizing on these problems, the conservatives then spoke plausibly in support of their dogmatist viewpoints. They also attributed all the unhealthy tendencies both inside and outside the party, which were becoming more and more serious, to opening up and the "corrosive" influence of Western ideology. [paragraph continues]

Being influenced by this, some center elements in the Political Bureau, though they sometimes maintained their middle-of-the-road stand, yet turned to support the "leftist" side. Thus, the situation was changed from being favorable to the reformists to being favorable to the conservatives.

Moreover, there are great limitations in the thinking of the reformists themselves. They still keep in mind the "four adherences," and have not made marked progress in the efforts to overcome the phenomenon of being terrified of democracy. They have set many restrictions on the reform of the political structure, which is quite different from real democracy, and their criticism of Mao Zedong is not thorough.

All this renders the liberals unable to stubbornly insist on their own stand on certain questions, leaving opportunities to be seized by the dogmatists.

The Way Hu Yaobang Criticizes Mao [subhead]

Not long ago, Hu Yaobang made some remarks on criticism of Mao, which can be quoted here to show the limitations of the reformists on this question:

HOWEVER SERIOUS CHAIRMAN MAO'S MISTAKES WERE, HIS CONTRIBUTIONS TO THE CHINESE REVOLUTION, TO OUR NATION, WERE VERY GREAT. IN THE REVOLUTIONARY UNDERTAKING, HIS MAIN CONTRIBUTIONS WERE MADE DURING THE WAR OF LIBERATION. THE 3 AND 1/2 YEARS OF THE WAR OF LIBERATION WAS THE MOST BRILLIANT PERIOD REGARDING HIS CONTRIBUTIONS IN THIS RESPECT. IN THE THEORETICAL FIELD, THE MOST BRILLIANT PERIOD WAS THE YANAN PERIOD, FROM 1937 TO 1945, DURING WHICH HE LAID A SOUND THEORETICAL BASIS FOR THE CHINESE REVOLUTION...IT IS NECESSARY TO CORRECTLY UNDERSTAND AND PROPAGATE CHAIRMAN MAO AND HIS COMRADES-IN-ARMS. AT PRESENT, THE LEADERS WHO ARE STILL ALIVE OFTEN CHERISH THE MEMORY OF CHAIRMAN MAO.

From these remarks, which were published in a CPC's internal document and in the eighth issue of "DANGSHI TONGXUN" [PARTY HISTORY JOURNAL], we can see that despite their differences, the reformists and the conservatives also have common viewpoints on certain questions.

The question of spiritual civilization was first put forth by the 6th Plenary Session of the 11th CPC Central Committee and further explained by Hu Yaobang at the 12th CPC National Congress. Later, Zhao Ziyang also talked about the building of spiritual civilization. On the other side, Chen Yun is also an active advocate of "the building of spiritual civilization while grasping the building of material civilization." On the question of spiritual civilization, both reformists and conservatives hold basically identical views. The central task is to do well in ideological and political work and to demand that the people accept Marxism and foster communist ideals, so that they may not violate discipline and run counter to the four basic principles (for running counter to the four basic principles means violation of the constitution).

Striving for Victory Despite Failure, Seek Common Ground While Reserving Differences [subhead]

However, they are also great differences between them on this question. This is why it was so difficult to produce the "resolution" of the Sixth Plenary Session. [paragraph continues]

The main aspect of the differences is that the conservatives wanted to make use of this document to set "restrictions" on the political, academic, and artistic fields, to launch a political movement to oppose "liberalization" and "spiritual pollution," and to attack the economic reform and the reformists. This is why they insisted on adding opposition to liberalization to the "resolution."

The reformists are keeping an eye on the conservatives and are advancing step by step. They also are unwilling to see things being "overdone" in the ideological field, but they insist on advocating reform, opening up, and "relaxation and harmony." The reasons are: 1) to relax contradictions between the Party and the masses; 2) to promote the economy and the economic reform; and 3) to improve China's image so as to win more foreign cooperation and aid. What the reformists said about spiritual civilization in the past and what they say at present differ slightly. Hu Qili's remarks in Shanghai at the beginning of this year seemed to be more "liberal" than the "resolution" of the Sixth Plenary Session. As has already been mentioned, the liberals originally planned to insert three passages into the "resolution," but they were voted down and deleted by the dogmatists. This is a concrete expression of the differences between the two factions, the "differences" reserved on their "common ground." We must not fail to see the points essentially common to both factions, nor must we fail to see their differences in view. Only thus can we avoid one-sidedness.

A friend in the know told me that at the very beginning of the summer capital conference, the reformists already felt the change in the relative strengths of the two sides. Therefore, they formulated a strategic policy of striving for victory despite failure, and one of their concrete tactics was to seek common ground while reserving differences. The "resolution" of the Sixth plenary Session was the outcome of the concessions made by the reformists toward the conservatives, or the outcome of seeking common ground while reserving differences.

Internal Circular of the Propaganda Department of the CPC Central Committee: Low-Key Propaganda [subhead]

Since the reformists had suffered a setback at the Sixth Plenary Session, they decided to carry out low-key propaganda.

The Propaganda Department of the CPC Central Committee issued an internal circular to the press, instructing them to set proper limits for publicizing the Sixth Plenary Session (including the "resolution") and not to publish a lot of articles to build up momentum. The communique of the Sixth Plenary Session did not have the usual beautiful ending, saying: "This was a meeting of unity, a meeting of success."

From this we can see the feelings and thoughts of the reformists.

The reaction and attitude of the conservatives were entirely different. Immediately after the meeting, at the cocktail party held on the eve of National Day, Deng Liqun appeared immensely proud and told reporters a "secret": There had been many disputes before the resolution of the Sixth Plenary Session had been drawn up. He forced himself to swallow the second half of the sentence, that is: "As a result, our faction won the victory."

During the first 10 days of October, various central departments and commissions conveyed the spirit of the "resolution" to party members and cadres above section chief level. Most of the meetings held for this purpose were dull and short. In those units with conservatives as their heads, the point of opposing "bourgeois liberalization" was emphasized, with a hint that the success in adding it to the "resolution" had been achieved through great efforts. But in those departments under the leadership of reformists, the point that "in all cases we must pay attention to construction" was emphasized. Some people even interpreted it as the soul of the "resolution." the middle-of-the-road ministers who tend to support the reformists just made some ambiguous remarks on this, saying that the "resolution" is but a general program or general policy, and that some concrete questions (referring to opposing "liberalization"), which may be unrealistic in the building of the two civilizations, can be further developed and substantiated in the practice of implementing the "resolution" (a hint that opposing "liberalization" may be revised or deleted in the future).

Witty Remarks of Wang Meng, Minister of Culture, in Conveying the Spirit [subhead]

When conveying the spirit in the Ministry of Culture, Wang Meng spoke in images. Following are two passages of his interesting and witty remarks (the main ideas), which are worth reading.

Wang Meng said: In the past we liked to shout beautiful slogans such as "large in size and collective in nature" [referring to people's communes] and "do everything for the people without any thought of self." These slogans look and sound beautiful, but they are very difficult to follow. Another slogan was: "However small the matters of the party and the state, they are important; however important the matters of the individual, they are small." But in real life, it is difficult to draw a clear distinction between "important matters" and "small matters." For example, the drapes of a certain office are dirty, and since this is a "matter of the party and the state" and an "important matter," they have to be washed at once, but if unfortunately I am ill at this moment, and seriously ill, since it is a "private matter" and a "small matter," I must not go to the hospital. Thus, a strange logic is created whereby even when one is suffering from great pain caused by cancer, one still has to finish washing the drapes before going to see a doctor. Wang Meng said that in the future we must not put forth empty and big slogans.

Wang Meng cited another example to further explain this point.

He said: A practice, which is called a "free service," is still quite popular at present. Some bicycle repair shops like to offer a "free pumping" service. But since they have to repair the pumps time after time and have to carry out business accounting, some of these shops have now changed this service and charge 2 cents for each pumping. Thus, they are criticized by some people as "looking for money in everything" and running counter to spiritual civilization. I think this is wrong, because the shops which charge for pumping take good care of their pumps, but most of the pumps belonging to the shops which offer free service are in disrepair and cannot be used. Therefore, most people prefer to pump up their bicycles in the shops that charge 2 cents.

Then he asked ironically: Will anyone who likes the "free service" use his money to buy a pump, put it outside his door, and put up a notice saying "free service" so that everyone can use it free? I think in the current stage, the level of consciousness of ordinary people is still not as high as that.

The participants in the meeting believe that what Wang Meng said was aimed at something. It seems that he does not like empty slogans and the wording of opposing bourgeois liberalization. Yet the reason he did not say it frankly is understandable.

Beijing People: Hope After Losing Hope [subhead]

A common view among ordinary people in Beijing on the "resolution" of the Sixth Plenary Session is that it has taken one step backward compared with the speech made by Wan Li on 31 July on "democratic and scientific methods for making policy decisions." A friend who knows the inside story told me that Wan Li's speech was drafted by Hu Ping and checked and revised by Hu Yaobang (but Wan Li did not read word by word from the text in some parts of his speech). This speech enjoyed popular support, but has been criticized by some people in theoretical circles, who published articles in the Beijing papers saying that "democratic, scientific, and systematic methods for making policy decisions cannot replace democratization in the political field, because in order to protect their own interests and maintain their privileged political rule, modern monarchs can also follow these methods and 'widely accept remonstrations.'" Even a speech such as Wan Li made, which enjoys popular support, has been criticized by some people: From this we can imagine how badly the masses have reacted toward the "resolution."

People who know the inside story regarding the Sixth Plenary Session show a lack of confidence on the question of how long the reformists will be able to continue the reform. They hold that if the economic reform cannot be continued, and the political reform is not carried out simultaneously, the reformists will naturally be put in a passive position, between the devil and the deep blue sea. Of course, there are also those who continue to be optimistic about the reform. They hold that the setback the reformists have suffered, which is a bad thing, can be turned into a good thing. The key lies in whether they are able to carry out the two reforms at the same time. They hope that the reformists will learn by their failure, and will finally prevail over the other side in the political field.

FORUM HELD ON LITERATURE OF LAST DECADE

HK170133 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1140 GMT 12 Nov 86

[Report by Tang Yuan (0781 0626): "Mainland China Studies Literary Works of the Past Decade"]

[Text] Hong Kong, 12 Nov (ZHONGGUO TONGXUN SHE) -- It has been 10 years since the cracking down on the gang of four. Literary circles in mainland China call this period "the 10 years of new period literature." How should we assess the literary creation in these 10 years?

In order to study this question, the Literature Research Institute under the Chinese Academy of Social Sciences in Beijing recently convened a special academic forum.

During the past decade, the literature of the new period developed from the stage of recovery to that of blooming. Replacing the old works with new ones, literary creation has undergone great changes which will exert a profound influence on the literature undertaking in the future. This is the general common understanding reached by the participants in the forum.

Specifically speaking, however, how do we describe the literature during this period? The participants held different viewpoints in this respect.

Many people held that the 10 years of new period literature were glorious and marked by remarkable achievements. Some disagreed with this point of view. Rather, they held that it was a "critical and significant" decade, another period of blooming since the "May 4" Movement, and was therefore profoundly significant.

Over the past 10 years, the great changes which have taken place in Mainland China's literary creation were marked by the following points:

The creative theme was changed from "the creation of gods" to "the description of man," a change of attitude from the closed-door pattern to one of opening up;

The restoration and in-depth development of realism, as well as the diversification and enrichment of artistic creation, have become the writers' goals of pursuance and creation;

There emerged a large number of writers characterized by a strong sense of responsibility and the pioneering spirit;

Many literary works of considerably high standard were created, in terms of both ideological content and artistic form;

The ever-increasing activities of theoretical criticism proposed many theoretical issues, and the atmosphere of letting a hundred flowers bloom was becoming normal and more healthy.

What was the main theme of the 10 years of literature of the new period? People held different views in this respect. Some held that the main theme was humanism. It called for humanity, human feelings, and humanism; as well as man's dignity and value. It was the basic clue to literature of the new period. Some held that the main theme was realism. Moreover, some held that the most important characteristic of literature of the new period was that there was no outstanding writer, school, or style; and therefore there was no main theme during the decade.

People who held that the main theme was humanism pointed out that to use their viewpoint to summarize the inner spirit of the new period's literature is a fairly realistic and correct method. It is an ideological weapon for fighting against feudalism.

At this moment when we face the issue of the in-depth development of humanism, we must make it summarize the whole period while respecting individuals. On the other hand, some people held that we could not use humanism to summarize the main theme of literature of the new period. This was because today's explanation of humanism was still within the scope of freedom, equality, and universal fraternity; and could not manifest the characteristics of the times or the modern ideology. Furthermore, some pointed out that in the final analysis, the realization of humanism depended on social changes, and literature should, therefore, also call for changes in consciousness.

Minister of Culture, and noted writer, Wang Meng also pointed out in his article entitled "A Spectacular View, the Quickly Passing 10 Years" that literature of these 10 years was marked by diversification, activeness, and rapid changes. He wrote: "It seems that these 10 years were a 10-year short stage of our literature of the new period, which were marked by a compressed version of a century of literary history of, for instance, Europe. It is highly condensed. It is also a microcosm of China, as well as of the world. Artistic thoughts and academic thoughts of all kinds, types of experience and probing, as well as all kinds of discussions and debates hastily started here and faded away, made a great impact and subsided, impacted on people and people became accustomed to the, had not taken shape or become mature but were regarded as aging, were forgotten before they strode proudly ahead, and quickly 'passed away' before they developed any further."

The summary of Wang Meng is very vivid and precise.

WRITERS' ASSOCIATION TIES FREEDOM TO OBLIGATION

HK170113 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1216 GMT 11 Nov 86

[Report: "Freedom of Literary Creation Should Be Tied to Social Obligations, Says Secretary of the Chinese Writers' Association"]

[Text] Hong Kong, 11 Nov (ZHONGGUO TONGXUN SHE) -- At a council meeting of the Chinese Writers' Association held in Beijing recently, permanent member of its Secretariat Tang Dacheng said: Literary creation as an important part of promoting socialist cultural and ideological progress should do its part in the long-term tasks undertaken by the whole society.

He also said: "A major subject discussed at the council meeting is how our literary creation will keep in step with the present-day great reform and economic construction and play a fuller role in these areas."

At the meeting, writers also pointed out some phenomena and problems which are worth noting in literary creation, theoretical research and publishing. For example, some literary works do not have much flavor of life and times and lack substantial content but show off something in form, artistic technique and language. A large number of low-quality literary works of Philistine taste are pounding at serious works. Some systems and regulations calling for immediate changes in publishing work affect and even prevent the popularization of literary works of excellence. With regard to criticism of theories, sometimes exaggerated, undeserved and blind praises take the place of criticism in a scientific way and sometimes some people, having no sense of responsibility, negate the fine traditions in our literature, apply mechanically some western ideas and take a nihilist attitude toward the creative fruit of writers.

Writers also said: To make our literature further integrate with the masses of the people, become more thriving and be oriented to the world, it is still necessary for us to make efforts to surmount different kinds of subjective and objective obstacles, change our conventional ideas, improve our work and stimulate reform.

WENYI BAO GIVES GUIDES FOR NEW PERIOD LITERATURE

HK162348 Beijing WENYI BAO in Chinese 8 Nov 86 p 2

[Article by Bao Chang (7637 2490): "How To Assess Literature of the New Period in the Past 10 Years" -- a Summary of the Author's Thesis Submitted to the "International Symposium on Contemporary Chinese Literature" -- capitalized passages published in boldface]

[Text] October 1976 saw the fall of the gang of four as well as the conclusion of the Great Cultural Revolution, the 10 years of turbulence in China. Chinese literature has since then entered upon a new period, which has now a history of 10 years. Chinese literature of the new period, over the past decade, has taken on an entirely new look, and its roles and effects are comparable to the 1919 "May 4th" Movement.

LITERATURE IS NO LONGER PURELY A TOOL. For a long time, the Chinese literary concept was serving politics; and literature was looked upon as purely a tool of class struggle. In the 2 years immediately following the fall of the gang of four, a mass discussion on the "relations between literature, art and politics" was unfolded in literature and art circles. The results of the discussion were positive. In 1978, Deng Xiaoping proposed the slogan "serve the people, serve socialism." Since then, Chinese literature has been emancipated from the bondage of the "tool doctrine," and has developed vigorously.

Actually, this has enabled the revival of all the original functions of literature. Literature is once again the mirror reflecting life, as well as the spring purifying the soul. It has also begun to satisfy the varied needs of aesthetics and amusement, and to help the people give vent to the desires in their hearts, and the writers to express their independent thinking. Generally speaking, literature is no longer purely a tool with politics as its end.

MAN -- THE SUBJECT OF EXPRESSION AND THE EXPRESSED. A basic characteristic of Chinese literature in the new period is the fostering of the sense of main theme. Here, this sense primarily refers to the writer. Writers have more and more discovered themselves in practice with each passing day, and they are trying to express and to renovate themselves in their writing. The fostering of the sense of the self of the writer originated in literature and art, as well as in theoretical circles, with the proposal and affirmation of human value. Since 1979, Chinese literature and art circles have continuously explored the issues of human nature and humanism. The Fourth Congress of the Writers' Association held in late 1984 laid special stress on the combination of the freedom of writing and the sense of social responsibility of writers. This created the objective conditions for the writer to display his sense of main theme.

The second connotation of the sense of the main themes of literature is that man has become the subject that the writer wants to express. Here, the man referred to is the truthful, perceptible, and specific man, and his human nature will no longer be distorted by class nature, but will take on the artistic unification of his social and natural qualities. [paragraph continues]

The literary images portrayed as "lofty, great, and perfect," which were fashionable during the cultural revolution, have now basically disappeared. The outlines of the images in the literature of the new period are more colorful than those in any period in the past. Stories based on complex characters have greatly enriched the subject matter of literature. Many forbidden areas concerning subject matter during the cultural revolution have been broken through. Today, Chinese writers may depict love, ethics, tragedies, crimes, perverted psychology, and sexuality, to some extent, without being censured.

The sense of main themes of literature is also expressed in the appreciation and evaluation of the readers. The ancient Chinese theory on literature and art always stressed the main themes of appreciation; now this view is supported by views in Western aesthetics and the study of the interpretation of literary works. The more subtle literary works become, the greater room is left for the readers for recreating them. Obscure poetry, experimental novels, and plays of the absurd theater have led to disputes in the past but now most of them are accepted, with the exception of those which have gone to extremes.

THE PSYCHOLOGICAL LAYERS HAVE BEEN STRIPPED ONE AFTER ANOTHER. Modern Chinese literature prior to the new period attached special attention to the external expression of characters, such as their behavior and language; the rich inner life of the characters was often outshone by the thread of the plot. Literature as a branch of the humanities has more and more strengthened the color of psychological analysis. The psychological layers of characters in literature are stripped, one after another, by the writer. In the past, attention was attached only to expressing the concepts, ideas, ideals or typified characters in literary works, and the psychological projection of literary works were on a plane, linear and fixed. In literary works in the new period, the description of various emotions has been fostered, and the characters are filled with all kinds of human emotions and passions. Thus, the individuality of the character is intensified, and efforts are made to portray some specific characters with flesh and blood. The writer has gone further to express the fine perception of his character with the writer's own keen senses; to demonstrate the imagination and fantasy of the character with the writer's own lively imagination; and to describe the flow of human subconsciousness through the writer's own observation of in-depth psychology. All this has shown that psychology has penetrated into literature through artistic images, which has greatly fostered the vividness of the images of literary characters.

THE CONTEMPLATION OF THE MAJOR SYSTEM OF "SOCIETY -- MAN" WITH A SENSE OF MISSION. With the intensification of the sense of main themes of literature in the new period, the writer is more and more becoming a person with independent thinking. The practice in literature over the past decade has shown that writers have pondered over many issues, including every aspect of the major "system of society -- man." The majority of writers possess the sense of mission for the society, the motherland, and the people, and this sense of mission makes literature take on the quality of meditation. The literature expressing grief which first burst out in the 1976 "5 April" Movement, venting wrath against the gang of four, resulted from commemorating the late Premier Zhou Enlai. The literature of scars emerged in huge volumes with the fall of the gang of four. That was the thorough negation of the Great Cultural Revolution in the form of art, as well as the rational call for bringing order out of chaos by writers. The natural extension of the literature of scars was the emergence of the literature of introspection after the 3d Plenary Session of the 11th Central Committee. The basic theme of the literature of introspection is contemplation of the fate of the masses (including the intellectuals). Such contemplation has broken through the realm of politics, and penetrated into the realm of national psychology and national cultural consciousness; it is more profound than the literature of scars. [paragraph continues]

It is needless to deny that while engaged in introspection, some writers wrote literary works characteristic of the so-called "sense of anxiety," "sense of confession," "sense of looking for the root," and "sense of self-examination." But generally speaking, such works are few in number. The majority of literary works of introspection are based on their pursuit of national invigoration and the progress of civilization.

Literary works with reforms as the subject matter began to emerge around the Third Plenary Session, and continue to emerge to date. Literary works of this category vary in their standards; some are excellent, some inferior. If writers limit the foci of their thinking to economic and technological issues as well as issues concerning policies, it is very difficult to do a good job in one's writing. But how to combine the subject matter of reforms with profound philosophical contemplation remains a question for exploration. A large number of works with such subject matters as family, ethics, love, and personal fate have emerged in the literature of the new period. These are different from the past, and they take on the characteristics of the conflict between historical tradition and contemporary consciousness, and the clash between concepts of the East and West. On these questions, the subjective evaluation of writers differ. In the past 2 or 3 years, some works expressing the "contemporary consciousness" of young people have also emerged, which immediately gave rise to polemics. What is contemporary consciousness? Is it equivalent to the spirit of the times? What are positive and what are negative in contemporary consciousness? What kind of contemporary consciousness should take shape? All this is worth further contemplation by writers, critics, and readers.

Literature on historical themes, literature on war themes, and children's literature each has its own characteristics; however, the problems facing them and the accomplishments they have scored are the same as the entire literature of the new period: Despite the phenomenon of complication and confusion, the ideological intension of the literature of the new period is becoming richer and more profound with each passing day.

FROM A UNIQUE APPROACH OF WRITING TO A VARIETY OF ARTISTIC SKILLS. Realism has always been the chief approach in the literature of New China. At times, the revolutionary romanticism was adopted successfully or unsuccessfully. In the early years of the literature of the new period, the approach of realism was still in a dominant position. A new artistic pattern emerged with the beginning of the 1980's. China has implemented the policy of opening up to the world, and foreign literary and ideological trends and literary forms have been imported from all parts of the world. Literary works of symbolism, the stream of consciousness, imagism, new sensualism, black humor, the absurd theater, Latin-American magic realism, as well as psychoanalysis have had great effects on the Chinese literary world, and such works have been referred to by many Chinese writers. However, the conditions of their reference differ. Some are just copying their ways without digesting them. Others are just imitating them with great distortions. Still others borrow the approach of modernism within the frame of realism. As a result, the characteristics of "modern realism" came into shape. In short, the number of experimental works is growing, but not all of them are successful. The crux of the question lies in creating our own new inherent literary mechanism, by referring to Western artistic experiences, while basing ourselves on the realities of China.

No matter how we put it, literature in the new period has taken on new artistic features. There is an increase in the forms of literature (including some marginal forms with several forms merged); and such ways of expression as narration, description, lyric, discussion, symbolism, metaphor, deformation, exaggeration, satire, dialogue as well as monologue have been enriched. [paragraph continues]

The structural form has been brought up-date, with the emergence of even the counter-structural form. The language symbol system has been expanded, and writers are working hard to pursue their own peculiar style and individuality of language. Besides, we find original exploration in the portrayal of the environment, the engendering of artistic conception, the coloring of atmosphere, and the display of lingering charm. In short, the literature of the new period has renovated its form -- the system of skill and technique, and the general trend is encouraging, despite some failures.

LITERARY CRITIQUE AND WRITING IN OVERLAPPING DOUBLE-TRACK DEVELOPMENT. For a long time, Marxism has been the guiding idea in China's literary critique; its view is historical materialism, and its approach, sociohistorical. Literary critique along with the party policies on literature and art played a tremendous restrictive role on literary writing. In the Cultural Revolution, the gang of four distorted Marxism with ultra-leftism. This caused serious evil effects. In the early years of the literature of the new period, literary critique played the vanguard role of bringing order out of chaos. But with the beginning of the 1980's, the situation in literary critique greatly changed.

Marxist theory on literature and art is still adhered to by the majority of literary critics, while they are also seeking the possibility of its opening up, development, and self-regulations. Macroscopically speaking, the majority of literary critics still apply the sociohistorical approach. However, with the development in the practice of writing and the effects of foreign ideological trends, literary critique is becoming more and more positive. First, with the implementation of the "double hundred" policy, successive discussions have been conducted on the relations between literature, art, and politics, realism, the question of typification, human nature and humanism, the appraisal of literature and art of the Western modernism school, the freedom of writing, and the national cultural psychology, as well as the sense of main themes of literature. These discussions have promoted the freedom of literary critique and academic democracy. Second, the introduction of new methodology in literary research. The systematic and scientific methodology of aesthetics as well as the psychology of literature and art have been adopted to a great extent. Even literary critique on psychoanalysis, structuralism, cultural anthropology, and on vague thinking have emerged. And third, groups of different schools and genres came into shape among literary critics, just as among writers. In fact, arguments have been conducted concerning various aspects of the theory of literature and art between different groups.

Noteworthy is the fostering of the consciousness and sense of main themes of literary critique. The bondage of the ultra-leftist ideological trend has been gradually discarded, and vulgar socialism and the pattern of "political criteria come first" done away with in literary critique over the past decade. In many of the articles of literary critique, critics no longer simply annotate the authors and their works, but have started to interpret and criticize their subjective views. A new mode of literary critique has emerged, such as critique of an experience nature, critique based on ontology, and critique based on scientific theory. Therefore, literary critique stands on a higher plane in affecting the writer; and we see literary critique and writing in an overlapping double-track development.

EVALUATION OF THE MAINSTREAM AND BEYOND. In appraisal of the literature of the new period, we may apply different systems of comparison. Regarding the nature and function of literature, the literature of the new period has gradually returned to the literature in the "humanities," namely, literature in its original sense. [paragraph continues]

With regard to the ideological intension of literature, although the literature of the new period has sounded rather complicated and confused in recent years, the key tone is sticking close to realities and embracing life; and we may regard the sense of social responsibility as the mainstream of the literature of the new period. Concerning the ideological trends in writing, realism may still be regarded as the mainstream of literature over the past 10 years, for the majority of writers still regard truthfulness as the major artistic criterion, despite the continuous "new wave" experiment in literary works since 1979. Of course, the overwhelming majority of literary works adhere to socialist political principles, and the literature of the new period remains, in essence, socialist literature.

Coexistence in a wide scope of literary works of different ideological trends, schools and genres, and styles has emerged since 1979. The flourishing of popular literature took away many readers from artistic literature. The trends of individual popular literature portraying crime, murder, fighting, violence, pornography, and decadence roused people's concern. The ideological trends such as the excessive expression of the self, the fragility of life, social nihilism, historical pessimism, and the primeval return to nature found in some serious writings also caused doubt among the readers and critics. A difficult problem facing the "new wave" literature of an experimental nature is how to narrow the gap between the readers and itself. However, no epoch-making great works have emerged so far in any form of literary work. Today, the Chinese literary world is still awaiting the emergence of new literary masters on a par with Lu Xun, Guo Moruo, Mao Dun, and Lao She.

The coexistence of different and opposite doctrines also takes place in literary critics' circles. The research and development of Marxist theory on literature and art have not been so vigorous in recent years; and Marxist theory urgently needs to digest the essentials of other doctrines to enrich itself. Although foreign doctrines and methods have been introduced, they are far from being enough. Likewise, the debates on principle between various schools are far from being enough. A vulgar atmosphere, a tendency of being divorced from life, and a jerky and weird style of writing exist both in literary critics' and writers' circles. As is known to all, the development of any doctrine is impossible without debates on principle and the test of practice.

In conclusion, despite the shortcomings in the literature of the new period, the mainstream of development is healthy and flourishing. We have grounds for expecting a still more brilliant development in the next decade. We must bear in mind Lu Xun's words: "History will never beat a retreat; there is no need to be pessimistic about the literary world."

ANHUI STRESSES NEED FOR POWER CONSERVATION

OW141133 Hefei Anhui Provincial Service in Mandarin 1100 GMT 11 Nov 86

[Excerpts] According to a report by ZHONGGUO DIANLI BAO reporter (Zhang Dahe) and ANHUI RIBAO reporter (Ni Zhimin), a power outage, caused by electric power plants' shutting down to prevent an overload of their capacities, is creating a headache for the people's economic life. It has inconvenienced agricultural and industrial production and the people's everyday lives. Why has this happened? With this question in mind, the reporters recently interviewed (Guo Yixin), deputy head of the power supply section of the provincial Power Bureau. He appealed to everyone concerned to do everything possible to close the widening gap between power supply and demand and to stop the overloading of electrical capacity in Anhui as quickly as possible.

Despite Anhui's economic development, the shortage of power has worsened. During the Sixth 5-Year Plan, the annual power supply was at least 10 percent below demand. This year, Anhui's total power consumption plan is only around 12.4 billion kwh, but actual consumption is expected to reach 13.8 billion kwh. In the next 5 years, the average annual power shortage will be at least 1.2 billion kwh. In view of such a large gap between supply and demand, power plants can not avoid shutting down occasionally to restrict power consumption. Therefore, the only ways to alleviate the strain on power supply are to explore resources to increase the power supply and to conserve electricity consumption. [passage omitted]

An important factor in the current acute power shortage and frequent power stoppage is an unreasonable consumption pattern, which has caused serious waste. In view of this, the provincial government issued an emergency circular calling for a vigorous effort to conserve energy. All localities should apply economic means to encourage power consumption during slack periods in order to increase the electric loads in such periods. They should also set up a system to evaluate manufacturing plants' power consumption efficiency and give priority in power supply to the plants that turn out quality products while consuming less electricity. Plants that consume more than their quota of electricity will have to pay additional fees or be penalized.

The provincial Power Bureau has held several meetings to ask all localities to strictly enforce the provincial government's circular. While carrying out energy-saving technical transformation step by step and intensifying the supervision of energy conservation, all localities should attach great importance to increasing power consumption during slack periods by encouraging enterprises to readjust work shifts to avoid peak load periods and by scheduling the production of goods that consumes a large quantity of electricity at night. By so doing, the aggravating strain on Anhui's power supply will be alleviated.

LEADERS SEEK FUJIAN PUBLICITY AT WEN HUI BAO FORUM

OW131438 Fuzhou FUJIAN RIBAO in Chinese 1 Nov 86 p 1

[Excerpts] Provincial and city leading comrades, representatives of people from all circles, and readers came to the Xihu Guesthouse yesterday afternoon to attend the "WEN HUI BAO Readers Forum" sponsored by the Fujian provincial party committee's Propaganda Department and WEN HUI BAO. The forum offered very good suggestions on how to give further publicity to Fujian and operate WEN HUI BAO successfully.

Before the meeting, Comrade Chen Guangyi, secretary of the Fujian provincial party committee, met with comrades of WEN HUI BAO. He expressed the hope that the paper will give more publicity to Fujian and that Fujian will strengthen its relations with Shanghai and other parts of China.

Attending yesterday's forum were Hu Ping, deputy secretary of the provincial party committee and governor; He Shaochuan, member of the provincial Party Committee's Standing Committee and director of its Propaganda Department; Cai Liangcheng, vice chairman of the provincial People's Congress Standing Committee; and leading comrades of the provincial city party and government departments. [passage omitted]

Wang Zhongyi, deputy director of the provincial party committee Propaganda Department, presided over the meeting. Comrade Hu Ping spoke at the meeting, thanking WEN HUI BAO for holding the forum in Fujian. He said that Fujian Province's characteristics are "Overseas Chinese, Taiwan compatriots, and special policies," and hoped that WEN HUI BAO would report more on Fujian to make it better known to the outside world. [passage omitted]

FUJIAN HOLDS SCIENCE, TECHNOLOGY CONFERENCE

OW140637 Fuzhou FUJIAN RIBAO in Chinese 2 Nov 86 p 1

[Excerpt] The Third Congress of the Scientific and Technical Association of Fujian Province was ceremoniously opened at Xihu Theater in Fuzhou on the afternoon of 1 November. Gathering under one roof, scientific and technical personnel from across Fujian Province pledged to contribute their intellect to revitalizing the province's economy and accomplishing the "Seventh 5-Year Plan."

The executive chairmen of today's session were Kang Beisheng, Ni Songmao, Lu Haoran, Tian Zhaowu, You Guangzhou, and Lu Weite. Kang Beisheng presided over the opening ceremony. Zhao Xiufu delivered an opening speech.

Attending the opening ceremony were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, the provincial CPPCC Committee, and the provincial Military District. They were: Chen Guangyi, Hu Ping, Jia Qinglin, Hu Hong, Cheng Xu, Yuan Gai, Gao Hu, Cai Ninglin, Yuan Qitong, He Shaochuan, Wen Fushan, Wang Yan, Guo Ruiren, Wang Zhi, Liu Yongye, Hou Linzhao, Cai Liangcheng, You Dexin, Huang Changxi, Chen Binfan, Cheng Xizhong, and Zuo Fengmei.

Chen Guangyi extended his warmest congratulations to the congress on behalf of the provincial party committee and the provincial government. In his speech, he fully affirmed contributions made by the Scientific and Technical Association and scientific and technical workers over the past 5 years. He expressed the hope that comrades on the scientific and technological front would earnestly and intensively study the resolution on the guiding principles for building socialist spiritual civilization adopted at the 6th Plenary Session of the 12th CPC Central Committee, profoundly understand its guidelines, adhere to the basic orientation, and consciously employ the guidelines of the resolution in launching various activities by the Scientific and Technical Association in order to better serve the open policy, reforms, and economic development, and contribute their intellect to realizing the goals of the "Seventh 5-Year Plan." [passage omitted]

XIAMEN IMPROVES FOREIGN INVESTMENT CLIMATE

HK170751 Beijing RENMIN RIBAO in Chinese 6 Nov 86 p 1

[Newsletter by reporter Zhang Mingqing (1128 6900 3237): "Xiamen City Improves Investment Climate for Foreign Firms"]

[Text] With the promulgation of the State Council's provisions for the encouragement of foreign investment, Xiamen has advanced a series of preferential conditions not only in documents but, what is more gratifying, it has translated what it said into action, raised work efficiency, and provided first-rate service, thus rapidly implementing its preferential conditions.

The city's Commission for Foreign Economic Relations and Trade got off to a good start before others. On 18 October it adopted a 12-point program including simplifying formalities and raising work efficiency. According to the previous practice, foreign-funded enterprises had to report to higher authorities every time they wanted to import raw and auxiliary semifinished materials as well as machines and equipment. This practice wasted time and caused delays in production and operations. Now they are required to make such a report once every 6 months or each year. Customs will grant admission through examination for the import of such goods under the contracts approved by the city's Commission for Foreign Economic Relations and Trade. Applications for the import of such goods by foreign-funded enterprises which do not have enough time to sign their export contacts will be granted upon their arrival. In the last 6 months, more than 240 cases of imports and exports have been handled. People have praised this, saying: "We never thought business here could be handled so fast." Xiamen's Administration of Exchange Control is enthusiastic about helping foreign-funded enterprises in foreign exchange adjustment. On 21 October, the Sandexing Industrial Company Ltd allotted \$10,000 to test the administration's efficiency in adjusting foreign exchange and found that the application it handed in in the morning was settled that afternoon. Feeling relieved, the Sandexing Company immediately brought \$3,500 to the administration for currency adjustment and its application was approved within a day. Hearing the news, other enterprises brought their foreign exchange to the administration for the same purpose. In this way, the problem of "being in urgent need" confronting enterprises which had foreign exchange but were in urgent need of Renminbi and the enterprises which had Renminbi but were in need of foreign exchange to import raw and auxiliary semifinished materials for production of goods capable of earning foreign exchange, were satisfactorily solved in the interests of both sides.

Circulating fund shortages were once a headache for some foreign-funded enterprises, but now there are avenues to get it. With loan certificates separately worth \$1 million and \$300,000 on hand, representatives of the Xiahua Electronics Company Ltd and the Xiamen Tape Company Ltd, filled with joy, walked out of the gate of the Xiamen Branch of the Bank of China. According to stipulations, the bank will demand 100 percent of the deposit from an enterprise before granting it a letter of credit. However, the Xiahua Company only had letters of credit sent to it from abroad but did not have the down payment amount. Having learned that the company mainly turns out products for foreign exchange earnings, the Bank of China branch immediately gave "the green light" to the former and granted it a letter of credit with its overseas letters of credit as the security. The bank sent the letter of credit abroad by telex that day. In this way the bank has advanced \$8 million in loans.

In the declaration hall of the Xiamen Customshouse there is a 20-meter-long "counter" on which there are eight triangular signboards strung out in a long line. The boards bear words indicating sections for foreign-funded enterprise registration, contract verification, document distribution, and examination and approval of applications for tax reduction and exemption. All formalities can be handled at one go in a coordinated sequence at the counter. In the hall there is also an information counter where heads of various sections are on duty in rotation, providing foreign-funded enterprises with consultancy services.

Fujian Province was hit by drought this year and consequently, its electricity output dropped. Xiamen has a shortage of 500,000 kilowatt-hours of electricity a day. However, the city's departments concerned have tried their best to ensure power supply for foreign-funded enterprises. The Huayuan Plastics Industrial Company Ltd consumes large amounts of electricity. Any power failure will not only cause production delays but also hamper stability of product quality. They sent a request to the authorities concerned for continuous power supplies, and approval formalities were completed by several departments including the Second Light Industrial Bureau, the Economics Commission, and the Commission for Foreign Economic Relations and Trade within a day. The company wanted to import a spreading machine, but its import formalities were not completed in the 6 months from March to the first 10 days of October of this year. But now they have been completed in half a day.

The Yinhua Floor Brick Factory is the first wholly foreign-owned enterprise set up in Xiamen. Executive Director Mr Xie told this reporter: "I have visited many countries. Generally, it will take at least 6 months for the policies or regulations of a country to become effective, because the change of outlook of the lower-level officials calls for a preparatory process. It is highly commendable that a country that opened itself to the outside world just a while ago has managed to work out such preferential regulations which have produced very quick results. However, there is still much to be desired in such service areas as communications, airports, and stations. It is my hope that all these will be improved as quickly as possible."

JIANGSU ECONOMY HELPED BY 'SPARKING PLAN'

OW151058 Beijing XINHUA in English 1045 GMT 15 Nov 86

[Text] Nanjing, November 15 (XINHUA) -- One third of the over 90 high-technology projects in east China's Jiangsu Province are producing economic benefits after the province carried out a one-year "sparking plan", said an official of the provincial Science and Technology Commission today.

The "sparking plan", made up by the State Science and Technology Commission, aims at developing practical technology to spur China's rural economy. Under the plan, scientific research institutes and large factories will pass on their modern technology like sparks to create new and much-needed production.

The official said Jiangsu had used a total investment of 74 million yuan to introduce technology to develop mountainous areas, aquatic production, livestock breeding, food processing and the spreading of applied electronic and biological technology.

He said it is estimated that Jiangsu will have an increased output value of 540 million yuan when all the projects of the "sparking plan" are completed.

GUANGDONG SECRETARY INSPECTS, INSTRUCTS TOWNSHIPS

HK170145 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 11 Nov 86

[Text] Yesterday, provincial party committee Secretary Lin Ruo went to (Chanong) Township, (Qingfeng) Township, and (Xianggao) Town in (Shizhu) District, a suburban area of Guangzhou, to inspect work there. He called for continued efforts to boldly carry out reforms and for building the two civilizations in rural areas still better.

For years, (Chanong) Township has been elected an advanced unit in the province, Guangzhou City, and (Shizhu) District in building spiritual civilization. When cadres of the township reported that rural schools are now short of teachers, Comrade Lin Ruo pointed out: While getting help from the state, township-run education may give play to the strong points of rich areas and employ teachers from the public by giving them excellent pay and conditions, so as to upgrade the quality of teaching and learning.

Over the past 2 years, (Xianggao) Town has developed household animal husbandry toward specialization and socialization. When cadres of the town reported that many specialized households and farms are improving (Zhenzhu) chickens and (Zhi) chickens and have imported rare and fine-quality domestic animals such as American partridges from foreign countries and then export them to the Hong Kong market, Comrade Lin Ruo pointed out: It is a good thing to gradually develop rare and fine-quality varieties, but you must know very well the market information. You should also develop various name brand products that the people love. You must not limit the sale to overseas markets, but must pay attention to both overseas and domestic markets so as to enliven commodity circulation.

GUANGDONG SECRETARY INAUGURATES LIBRARY

HK130921 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 12 Nov 86

[Text] This morning, the province's new Dr Sun Yat-sen library was inaugurated in a ceremony. Lin Ruo, secretary of the provincial party committee, attended the ribbon-cutting ceremony.

Wu Nansheng, chairman of the provincial CPPCC, unveiled a white marble sculpture of Dr Sun Yat-sen at the main hall of the new library during the ceremony.

On behalf of the provincial party and government, Vice Governor Wang Pingshan made a speech.

The new library is situated at Wenming Road, Guangzhou City, and is next to the site where the KMT held its first national congress and Dr Sun Yat-sen gave lectures on the Three Principles of the People. Occupying an area of more than 28,000 square meters, the 10-story building can house over 4 million books. In it is also a reading center with 2,000 seats. There are also more than 30 reading rooms for receiving 3,000 to 4,000 people each day. The new library plans to formally and fully open to the public on 2 December.

Also present at the inauguration ceremony were Liu Tianfu, member of the Central Advisory Commission; Ma Man-kei, member of the NPC Standing Committee; Luo Tian, chairman of the provincial People's Congress Standing Committee; and veteran cadre (Kuo Xinren).

ZHUHAI LISTS BETTER TERMS FOR FOREIGN FIRMS

HK170501 Guangzhou NANFANG RIBAO in Chinese 7 Nov 86 pp 1,3

[Report by Tao Guangyuan (7118 0342 0337) and Lin Jie (2651 3381): "Zhuhai City Adopts a Series of Measures To Provide More Favorable Terms for Foreign Investments"]

[Text] "Zhuhai will strengthen its external economic cooperation and provide more preferential terms for foreign investments." He Zhongyun, deputy secretary of the Zhuhai City CPC Committee and vice mayor, made these remarks during an interview by the two reporters.

He Zhongyun said that the Zhuhai City people's government had formulated preferential measures according to the State Council's regulations on encouraging foreign investments in light of the actual conditions of the Zhuhai Special Economic Zone. These measures are as follows:

1. The profit and income tax rate for all enterprises in the special economic zone has been fixed at 16 percent. An enterprise with foreign investment will be exempt from taxation for 2 years from the date it begins operation, and is required to pay only half tax on its income for the following 3 years, provided its investment amounts to \$2 million or it is advanced in technology, has a long investment recovery period, and will be operated for 10 years or more. A technologically advanced enterprise is entitled to pay half tax on its income for 3 years beginning from the termination of the tax exemption period. An enterprise with foreign investment will be exempt from the local income tax for 5 years commencing with the year of investment.
2. All enterprises in the special economic zone are entitled to export their products free of tax. Enterprises with foreign investments are entitled to import free of tax equipment and the means of production required for their production, as well as articles for their daily use. Raw materials imported for the production of export commodities are exempt from customs duties.
3. The costs for the use of land have been lowered. The cost of land for industrial use has been lowered from the range of 5 to 15 yuan per square meter to that of 0.5 to 1 yuan per square meter. Industrial enterprises with foreign investments are exempt from the payments of land costs for 3 years beginning from the date of approval for the use of land and are entitled to pay half of the land costs for another 3 years commencing with the termination of the exemption period. Enterprises with advanced world standards or enterprises that export at least 70 percent of their products are exempt from the payments of land costs for 5 years and are entitled to pay half of the cost of land for another 5 years beginning from the termination of the exemption period. Enterprises with advanced science and technology are exempt from payments of the cost of land.
4. A foreign exchange regulatory center will be set up in Zhuhai, in which foreign-capitalized enterprises can participate in foreign exchange regulation. With the approval of the authorities concerned, foreign-capitalized enterprises can issue stocks and bonds to raise funds. Banks in the special economic zone will give priority to foreign-capitalized enterprises requiring funds for short-term circulation and other credit funds.
5. Priority will be given to foreign-capitalized enterprises in water and power supply, and the charges will be the same as those paid by state-run enterprises.

6. Reliable guarantees will be provided for foreign-capitalized enterprises. Within the framework of approved contracts and approved rules and regulations, these enterprises can arrange their production, set the standards and form of wages, decide their organizational setups and the number of their employees, and hire or dismiss workers.

7. Procedures will be simplified to improve work efficiency. Agreements, contracts, and regulations involving foreign-capitalized enterprises will be replied to or approved within 1 month from the date of receipt, provided these documents come within the city's jurisdiction. Other matters submitted by foreign-capitalized enterprises for approval or settlement will generally be handled within 10 days. Procedures for importing equipment and raw materials for the production of export commodities, and export procedures will be approved upon their receipt, or if this is not possible, within 3 days at the latest.

GUANGDONG CITY ENCOURAGES FOREIGN INVESTMENT

0W130618 Beijing XINHUA in English 0255 GMT 13 Nov 86

[Text] Guangzhou, November 13 (XINHUA) -- Enterprises in Zhuhai, one of China's four special economic zones, will be able to export their products tax-free, a government official of this capital of south China's Guangdong Province said here today. According to the official, the necessary equipment, materials for production and articles for daily use imported by foreign-funded enterprises also will be tax-free.

These are part of the preferential treatment provided to foreign-funded companies by the Zhuhai City government in line with China's recent provisions aimed at improving the investment environment.

The official said all enterprises in Zhuhai will pay income tax at a rate of 15 percent, and enterprises with two million U.S. dollars of foreign investment, advanced technology or having a longer period of recovery of investment, will enjoy tax exemption in the first two profit-making years after going into production, and their income tax will be reduced by one half in the third year.

At the end of the tax exemption period, export-oriented enterprises may pay enterprise income tax at the rate of 10 percent, and enterprises with advanced technology may pay the tax at half the rate of the present tax. Enterprises with sole foreign investment will be free from income tax for five years running starting from the first profit-making year. In addition, the special economic zone administration will simplify formalities to raise working efficiency. It will reduce the charge for land use from five yuan to 15 per square meter a year to 0.5 yuan to one yuan.

Enterprises with advanced technology and export-oriented enterprises whose annual value of exports amounts to 70 percent or more of the value of their products of that year, may be exempt from land rent for five years.

According to the official, the foreign-funded enterprises will have the priority in the supply of water and electricity, which will be supplied at the same prices as for state-run enterprises. Foreign-funded enterprises may pool funds by issuing stocks and bonds after getting approval from the city government. Also, the bank will give a helping hand to enterprises in need of funds.

SICHUAN OFFICIAL DETAILS AGRICULTURAL TASKS

HK150425 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 14 Nov 86

[Text] Vice Governor Xie Shijie spoke on 14 November to the delegates attending the provincial conference on three-dimensional agriculture currently in session in Miyi County. Conveying the spirit of the central rural work conference, he said that the main agenda of this conference is to study the new situations and problems in the rural areas and explore ways of continuing and deepening the rural reforms. He said that the current situation in rural Sichuan is very good. The province should get a good grasp on the following tasks in agricultural production this winter and next spring: 1) Do a good job in sowing the spring-harvested crops; 2) work hard to organize income and ensure increases in both output and income; 3) get a good grasp on water conservancy construction; and 4) continue to make good preparations for the supply of fertilizer, seeds, plastic sheeting, farm tools, and so on.

YUNNAN PEOPLE'S CONGRESS HOLDS LEGAL WORK FORUM

HK170217 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 11 Nov 86

[Excerpts] The 6-day forum held by the provincial People's Congress Standing Committee on legal work concluded in Kunming on the morning of 11 November. The main topic of the forum is that, in accordance with the demand raised by the CPC Central Committee on grasping both construction and legal work and in virtue of the power endowed by the Constitution and the local organization law on people's congresses at and above the county level and their standing committees, to stay the problem of enforcing legal supervision over courts and procuratorates, particularly over judicial organs. The participants studied the resolution of the 6th Plenary Session of the 12th CPC Central Committee and listened to a report by Yuan Yiquan, vice chairman of the provincial People's Congress Standing Committee, on strengthening the building of the legal system and enforcing legal supervision.

The forum held that in the new situation, the party and state are stressing democracy and the building of the legal system. It is extremely important for people's congresses and their standing committees to further enforce legal supervision over [words indistinct], courts, and procuratorates. [passage omitted] People's congresses and their standing committees bear heavy responsibilities in strengthening the building of socialist democracy and the legal system. It is therefore necessary to strengthen legal supervision. On the one hand, people's congresses and their standing committees must dare to enforce supervision within the scope of the Constitution and the law. On the other hand, they are not allowed to interfere with the professional work of [words indistinct], courts, and procuratorates. At present, it is particularly necessary to enforce legal supervision over public security organs, courts, and procuratorates. [passage omitted]

The forum demanded that comrades of People's Congress standing committees carry forward the spirit of initiative, have a sense of responsibility to the people, dare to supervise and know how to supervise [words indistinct], courts, and procuratorates, and properly enforce legal supervision. Responsible comrades of the provincial public security organs, courts, and procuratorates said that they will conscientiously place themselves under supervision, support People's Congress standing committees in exercising power, and make joint efforts to push forward the work of strengthening socialist democracy and the legal system.

BEIJING SECRETARY WRITES ON PARTY-ENTERPRISE WORK

SK171155 Beijing BEIJING RIBAO in Chinese 6 Nov 86 p 1

[Text] In issue No 11 of XUEXI YU YANJIU, the political and theoretical monthly of the Beijing Municipal CPC Committee, Li Ximing, secretary of the Beijing Municipal CPC Committee, wrote an article on his opinions on improving and strengthening the party's work among enterprises after the implementation of the plant director (manager) responsibility system.

The article emphatically points out that separating work between the party and government and improving and strengthening the party's work among enterprises constitute the important guiding principles for reforming the enterprise leadership system. To improve and strengthen the party's work with enterprises, we must have a big change in our ideology and concepts. First of all, we should change the longstanding concept of "centralized party leadership;" second, the concept of carrying out ideological and political work by resorting to power; and third, the concept of regarding the party committees as the leadership cores of enterprises, so as to safeguard the core status of plant directors in enterprises.

The article sums up the new experiences of some enterprises in Beijing Municipality in carrying out the plant director responsibility system on a trial basis and stresses that it is necessary to properly handle relations in three areas: First, we must properly handle the relations between the work of the party organizations and that of the economic sector; second, we must handle relations between guaranteeing supervision and supporting plant directors in exercising unified leadership over production and operational work; and third, we must handle relations between actively raising suggestions on enterprises' major problems and respecting the plant directors' decisionmaking power. The article maintains that it is difficult to properly handle the above relations by only relying on the efforts of plant directors and party secretaries. We must have a perfect democratic system and strict and clear-out regulations and laws as our guarantee.

PRC'S LARGEST MONEY MARKET OPENS IN SHANXI

OW161146 Beijing XINHUA in English 1136 GMT 16 Nov 86

[Text] Taiyuan, November 16 (XINHUA) -- A money market, the biggest of its kind so far in China, has officially opened business here.

The market run by the Industrial and Commercial Bank of Taiyuan, the capital city of north China's Shanxi Province, handles money borrowing and lending, transfer of bonds and bill discounts.

It also offers services to other parts of the country, an official from the market told XINHUA today.

At yesterday's opening, 190,000 yuan (more than 51,000 U.S. dollars) of bonds were sold out, and 110 million yuan (about 30 million U.S. dollars), borrowed and lent.

The total floor space of the business hall is 900 square meters.

HEILONGJIANG PROVINCE FAMILY FARMS INCREASE

OW152034 Beijing XINHUA in English 1644 GMT 15 Nov 86

[Text] Harbin, November 15 (XINHUA) -- More than 23,770 family farms have been so far set up on the Sanjiang Plain in northeast China's Heilongjiang Province, China's largest land reclamation area.

This accounts for 17.7 percent of the total number of local peasant families, according to a local official here today.

A sample survey shows that every family farm can provide about 41 tons of grain every year, on the average, to the state -- six times more than an ordinary peasant household.

The plain encompasses 13 counties with 1.17 million hectares of farmland and is one of China's leading grain-growing areas.

In 1983, the rural responsibility system, under which peasants have the right to manage their own land and are responsible for their own profits and losses, was applied in the area. As a result, many families specializing in grain growing have emerged.

Their output is usually several or a dozen times higher than those of ordinary households. The average income can reach about 20,000 yuan (5,400 U.S. dollars).

Among these family farms, 17,850 have between eight and 10 hectares of land; 4,060, between 10 and 20 hectares; 1,450, between 20 and 30 hectares; and 410, over 30 hectares.

HEILONGJIANG HOLDS GRAIN PURCHASE CONFERENCE

SK150306 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 14 Nov 86

[Excerpt] The provincial government held a telephone conference on grain purchases this afternoon to call for further leadership over grain purchasing work, an upsurge in threshing and delivery of grain, and fulfillment of the purchasing tasks by the end of December.

The conference held: The present grain purchasing situation throughout the province is very good. As of 10 November, 2.6 billion kg of grain had been put in storage, amounting to 42.4 percent of the purchasing quota. Qiqihar City, whose purchasing speed is quicker than others, has fulfilled more than 80 percent of its purchasing quota. Yian and Hedong Counties have overfulfilled their contracted purchases and the purchases entrusted by the state. A good job in this year's grain purchase should be mainly attributed to the attention of leading persons and to correct policies which have aroused the peasants' enthusiasm for selling grain to the state. This year's purchase prices for soybeans and corn have been raised, and the price for the above-quota grain has again been increased by 0.03 yuan per kg. This plus other preferential policies enables peasants to gain substantial benefits. The 12 counties and cities of Suihua Prefecture, and many counties of Qiqihar City, have enforced a cash payment system in purchasing the grain. Some peasants say that they have gained enough substantial benefits from the state, and that it is their duty to sell grain to the state because they should not forget the state in a bumper harvest year.

The conference noted: There are still some problems in this year's grain purchasing work. A major one is the uneven development in purchases.

Some areas have fulfilled more than 50 percent of their quotas, while others have fulfilled less than 20 percent. In addition to the objective reason that a great amount of late corn has yet to be husked, unrealistic optimism of cadres in some localities is the major reason. Some of them think that they do not have to worry about purchases because as long as the peasants have grain, they will eventually sell it to the state. There are also cadres who have fears, thinking that this year's grain purchasing work is difficult to carry out. Some peasants are dilatory in selling grain, attempting to sell it at higher prices later. All these have affected grain purchases. Therefore, the provincial government has called on all localities to strengthen leadership and rapidly create an upsurge in threshing and selling grain. Governments at all levels should also organize strong work teams, and send them to villages to coordinate with local cadres to step up the grain purchasing work. Rural manpower and animal and machinery resources should be pooled to carry out threshing and delivery of grain so that an upsurge can be created rapidly. [passage omitted]

LIAONING COMPLETES PARTY REFORM AT TOWN LEVEL

SK171150 Shenyang LIAONING RIBAO in Chinese 3 Nov 86 p 4

[Text] Our province has basically concluded its party rectification work among rural organs at the township-town level. Thus, the leading bodies of the party committees at the township-town level have further strengthened their combat strength and achieved an obvious turn for the better in party style.

Our province began its party rectification work among rural organs at the township-town level in December 1985. During the more than 10-month period, 1,272 party committees at the township-town level and 25,657 party members have received party rectification education in a systematic manner. During the party rectification drive, the party organizations of township-town organs from beginning to end have upheld the principle of giving priority to improving party style and putting the work emphasis on dealing with the serious problems committed by party members and cadres with regard to seeking personal gain by taking advantage of power and violating the law and discipline. All malpractices strongly complained about by the masses, such as hosting banquets and presenting gifts with public funds, embezzling public funds, taking bribes, distributing bonuses and articles arbitrarily, apportioning expenses arbitrarily, approving projects and occupying farmland arbitrarily, building private houses arbitrarily, and seeking personal gain by taking advantage of power while enforcing contract systems, have been basically examined and corrected. In conducting party rectification work, they have upheld the guiding ideology of the party rectification drive, promoted the progress of reforms in the rural areas, and further defined the direction of developing the commodity economy.

During the party rectification drive, the leading bodies of party committees at the township-town level have further strengthened their combat strength through readjustment and replenishment and have brought about a tremendous change in work style. They have become able to do good and practical deeds for the masses and to lead the people to embark on a road of commonly becoming wealthy. Many party members and cadres have consciously paid visits to the masses and given a helping hand to households having difficulties in funds and technology for opening businesses, developing production, increasing income, and for doing away with the poor situation and becoming wealthy. They have been highly praised by the masses.

GANSU PEOPLE'S CONGRESS STANDING COMMITTEE MEETS

HK170139 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 11 Nov 86

[Text] The 21st meeting of the 6th provincial People's Congress Standing Committee opened in Lanzhou today. The main agenda of this meeting is to study the documents of the 6th Plenary Session of the 12th CPC Central Committee, to examine and discuss certain Gansu draft regulations on enforcing the PRC forestry law and certain Gansu draft regulations on protecting the campuses and property of schools; to listen to the reports by the provincial people's government on controlling the scale of capital construction and completely investigating the situation in the projects under construction and on the use and administration of the agricultural funds; and to adopt appointments and removals.

Provincial People's Congress Standing Committee Chairman Liu Bing presided over today's meeting. Provincial People's Congress Standing Committee Vice Chairmen Wang Yaohua, Liu Lanting, Xu Feiqing, Xing Anmin, Ma Pilie, Yang Fuxing, Li Fusheng, and Wang Daoyi attended the meeting. Attending the meeting as nonvoting delegates were Vice Governor Liu Shu, provincial Higher People's Court President Qin Bing, provincial People's Procuratorate Chief Procurator Luo Lin, and responsible persons of the provincial authorities, of all prefectural and city People's Congress Standing Committees, of the liaison offices of the People's Congresses in all prefectures, and of some county and city people's congress standing committees.

SHAANXI OFFICIAL ON RUNNING SINO-FOREIGN VENTURES

HK121101 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 9 Nov 86

[Text] At a provincial meeting on work in Sino-foreign joint ventures which concluded 8 November, Vice Governor Zhang Bin pointed out that the guiding thought for properly running Sino-foreign joint ventures is to further improve the investment environment so as to bring in more foreign capital and advanced technology to promote economic development in the province. Over the past few years, the province has achieved heartening results in bringing in and using foreign capital and carrying out economic and technological cooperation with foreign countries. As of now, 85 units in the province have received licenses to run Sino-foreign joint ventures. Contracts which have been signed involve the use of \$774.8 million in foreign funds, of which \$568 million are the direct investment of foreign businessmen. The province now cooperates with businessmen not only from Hong Kong and Macao, but also from Japan, the United States, and some European countries.

Zhang Bin said that the province has achieved some results in using foreign capital, but our work does not yet meet the needs of the situation. The scale and speed in bringing in foreign capital and the items involving the use of foreign capital are far from the needs of economic construction. He expressed the hope that all localities and departments in the province would properly run the existing Sino-foreign joint ventures, effectively raise efficiency, remove foreign businessmen's worries about making investments in the province, relax policies, and create a good investment environment for foreign businessmen. They must also strengthen foreign propaganda work to make Shaanxi known to the world and strive to make a new breakthrough in bringing in and using foreign capital.

Over 200 managers and deputy managers from Sino-foreign joint ventures and Sino-foreign cooperative enterprises of the province attended the meeting.

SHAANXI SECRETARY ATTENDS OPENING OF POWER PLANT

HK121516 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 10 Nov 86

[Text] Yesterday morning, the Northwest Electricity Management Bureau held a rally at the Qinling Power Plant to mark the operation of the No 6 generating unit and the completion of the plant. Zhao Qingfu, vice minister of water resources and electric power; Bai Jinian, secretary of the provincial party committee; Governor Li Qingwei; and Vice Governors Zhang Bin and Zeng Shenda attended the rally.

On behalf of the provincial party committee and provincial government, Vice Governor Zhang Bin extended warm greetings and cordial regards to the workers of all units which took part in building and designing the plant. In his speech, Zhang Bin said: The economy of our province has quickly developed and the demands on electric power have gradually increased. The average amount of electricity used by the whole province since 1983 increased by 9.3 percent each year. Since last winter, our province has encountered the problem of a shortage of electricity. Electric power has become a factor to restrict our province's economic development. Accelerating the building of our province's electric power is a task which brooks no delay. Therefore, the provincial government is vigorously taking measures to encourage people to raise funds to build power plants, to speed up the building of the Pucheng Power Plant and of the Ankang Hydroelectric Power Station, and to expand the scale of our province's power building.

The rally commended all design and construction units which had taken part in building the power plant.

NORTHWEST SCIENCE SEMINAR HELD IN XINJIANG

HK070818 Xian XIBEI XINXI BAO in Chinese No 43, 27 Oct 86 p 1

[Report by special correspondent A Yang (7093 2799): "Population Science Seminar of Five Northwest Provinces and Autonomous Regions Proposes That the Northwest Change its Concept of Vast Area and Sparse Population and Improve Population Quality"]

[Text] To change the concept of "having a sparse population in a vast area" and to improve the population quality is our urgent task at present. This was the unanimous viewpoint achieved at the third population science seminar of the five northwest provinces and autonomous regions, which was held in Urumqi, Xinjiang, in late September.

Participants of the seminar held that proceeding from the land use, water resources, mineral resources and the present level of production and economic development in northwest China, the population density of the few "oasis" areas in the five northwest provinces and autonomous regions was quite high. The natural conditions of a vast territory were so poor that it would still be uninhabitable and not usable in the future. In order to develop the great northwest smoothly and in a more rapid way, we must not slacken our work of controlling the population. Our urgent task at present is to improve population quality. We must carry out the work of education for all people; strengthening scientific, technological and cultural exchanges with foreign countries and other parts of China; and popularizing the disadvantages of marriage between close relatives so as to change people's marriage practices. Proceeding from this, we must strive to improve the educational background, knowledge standards, physical education standards and modern management standards of the population in northwest China.

PRC EXPRESSES SYMPATHY AFTER TAIWAN EARTHQUAKE

Leader Comments

OW171729 Beijing XINHUA Domestic Service in Chinese 1446 GMT 17 Nov 86

[Text] Beijing, 17 Nov (XINHUA) -- Chen Junsheng, secretary general of the State Council, in an interview with XINHUA today, expressed cordial sympathy with the compatriots on Taiwan suffering from the earthquake in Hualian.

Chen Junsheng said: On 15 November a strong earthquake occurred near Hualian, inflicting heavy losses on the local people's lives and property. The earthquake also resulted in the suspension of electric power supply in Taipei and other cities and caused damage to highways and railroads in the eastern part of Taiwan, affecting the normal life of the people. The compatriots on the mainland are deeply concerned about the strong earthquake that jolted Taiwan and express the most cordial sympathy with the Taiwan compatriots who are victims of this disaster.

He said: The compatriots on the two sides of the strait have deep feelings of kinship and share weal and woe. We are willing to provide relief supplies and other assistance, as necessary, to the Taiwan compatriots who are victims of the earthquake.

Red Cross Makes Donation

OW171520 Beijing XINHUA Domestic Service in Chinese 1142 GMT 17 Nov 86

[Text] Beijing, 17 Nov (XINHUA) -- With regard to the strong earthquake that occurred in Hualian, Taiwan, the head office of the Red Cross Society of China sent a message to the Taiwan Red Cross Society on 15 November, expressing cordial sympathy for the compatriots suffering from this earthquake and asking the Taiwan Red Cross to pass its \$50,000 donation on to the victims. The donation has been remitted to Taipei today.

NUCLEAR PLANTS SAFE AFTER 15 NOV QUAKE

OW180425 Taipei CNA in English 0409 GMT 18 Nov 86

[Text] Taipei, Nov. 17 (CNA) -- A governmental official said Monday that the nation's three nuclear power plants stood safe without the least bit of trouble after an earthquake jolted the Taiwan area Saturday morning.

Chang Chung-chien, executive director of the Commission of National Corporations under the Economics Ministry, said his office and the Taiwan Power Company have jointly set up an effective warning and inspection system to report injuries caused by disasters and serious accidents, and no unusual circumstances were reported in the system after the tremors happened.

Quake damage was one of the most important considerations the government and Taipower weighed while it was designing and constructing the three nuclear power plants, Chang said, adding that "Saturday's violent tremor has proved [to] us that the three nuclear power plants are strong and safe enough."

ELIMINATION OF NONTARIFF TRADE BARRIERS PLANNED

OW131448 Taipei Domestic Service in Mandarin 2300 GMT 8 Nov 86

[Text] The Ministry of Economic Affairs has decided to make further efforts to eliminate nontariff trade barriers, thoroughly simplify trade administrative procedures, and gradually reduce the items in the controlled imports category. Li Mo, vice minister of economic affairs, said that the ministry will further increase imports and eliminate nontariff obstacles to importation so as to implement the economic liberalization and internationalization policy. The Ministry of Economic Affairs, he said, will consult further with the responsible authorities in charge of public health and agriculture about lifting unnecessary controls over the imports of certain items. There are now some 4,000 cases of imports waiting to be checked, causing inconveniences for the importers. Vice Minister Li Mo said that the checkup requirement should be waived wherever possible so as to simplify administrative procedures.

TAIWAN-FRANCE COOPERATION CONFERENCE OPENS

OW171236 Taipei CNA in English 0942 GMT 17 Nov 86

[Text] Taipei, Nov. 17 (CNA) -- The third ROC [Republic of China]-France Economic Cooperation Conference opened at the Taipei World Trade Center Monday afternoon. Chang Kwang-shih, chairman of the China External Trade Development Council, presided over the opening ceremony.

A seminar on how to promote trade with France was held Monday morning.

Panel discussions will be conducted Tuesday before the closing of the confab.

An official of the organizing committee said that a joint communique will be issued at Howard Plaza Hotel at 6 p.m. Tuesday.

A new agreement on industrial technology and investment cooperation will be signed between leaders of the two sides during the two-day meeting. Although there are no diplomatic ties between the ROC and France, yet the bilateral trade between the two nations last year hit U.S. \$479 million.

AIR TRANSPORT AGREEMENT SIGNED WITH ROK

OW150547 Taipei CNA in English 0305 GMT 15 Nov 86

[Text] Taipei, Nov. 14 (CNA) -- The Republic of China [ROC] and the Republic of Korea signed a new air transport agreement in Taipei Friday to replace a temporary agreement signed in 1952. The agreement, taking effect immediately after the signing, was signed between ROC Foreign Minister Chu Fu-sung and South Korean Ambassador Kim Sang-tae at the Foreign Ministry.

Involving 18 articles, the new aviation accord details issues concerning aviation rights, flight routes, flight numbers, and the solution of air transportation disputes between the two nations. The appendix of the agreement provides that designated airlines of both sides are allowed to fly 14 passenger flights and two freighter flights on agreed routes weekly. Currently, China Airlines, the ROC's flag-carrier, flies six flights between Seoul and Taipei each week, compared with Korean Air's 14 flights.

An ROC Communications Ministry official, who had a part in the negotiation of the agreement, said that under the new accord, the ROC will be the first nation to be granted permission by the South Korean Government to extend its aviation services via Seoul to other destinations.

In reciprocation, the ROC Government has approved a Korean Air application to open a new route via Cheju Island to Taipei, under condition that its total flights not exceed the 14 flights maximum provided by the agreement, the official said.

Over 30 ranking ROC officials from the Foreign and Communications Ministries, China Airlines executives and Korean Embassy staff were present to witness the signing of the new air transport agreement.

TAIWAN-NEW ZEALAND BUSINESS COUNCIL MEETING ENDS

OW120447 Taipei CNA in English 0329 GMT 12 Nov 86

[Text] Wellington, Nov. 10 (CNA) -- Seventy-five delegates from Taiwan, Republic of China [ROC] under the leadership of Jeffery L.S. Koo, deputy chairman of the Taiwan-New Zealand Business Council, met with their counterparts for the second joint meeting of the New Zealand-Taiwan, Taiwan-New Zealand Business Council in Rotorua on Sunday, November 9. A joint communique stressed the need for a speedier and simplified visa issuance for ROC visitors which would facilitate trade, investment and tourism to New Zealand's advantage.

The business council meeting endorsed the urgent requirement that New Zealand open a trade office in Taipei which would follow the lead given by 42 other nations.

The meeting concluded with a vigorous discussion followed by the formal opening of the "Trade Exhibition of Taiwan, Republic of China" at the sports and conference center by mayor of Rotorua.

TAIWAN UNDECIDED ON HONG KONG PASSPORTS ISSUE

HK150732 Hong Kong SOUTH CHINA MORNING POST in English 15 Nov 86 p 4

[Text] The Taiwanese Government has not yet decided whether to recognize the Hong Kong Special Administrative Region [SAR] passports after 1997, according to a Taiwanese official in Hong Kong.

In a recent statement, Taiwan's Overseas Chinese Affairs Committee said that Chinese people holding foreign passports could retain their original nationality after resettling in Taiwan.

According to the general manager of the Overseas Chinese Transport Service, Mr Fung Hon-shu, the clarification means that Hong Kong people holding Certificates of Identity and the Hong Kong British passports could also emigrate to Taiwan before 1997 without surrendering their original passports.

Mr Fung understands that the Taiwanese Government has not yet made up its mind on whether to recognize SAR passports regarding emigration matters. It is likely that an SAR passport will be recognized if it is issued by a highly autonomous government.

But he said it was certain a passport directly issued by China would not be recognized by Taiwan.

Mr Fung said Taipei had still to find out more regarding the status and nature of the future SAR passports. "We still have about 10 years to monitor the situation before we finalise our policies on Hong Kong residents' emigration after 1997," he said.

According to the OVERSEAS TORCHLIGHT WEEKLY from Taiwan, the committee denied a press report saying that foreign passport holders would have to give up their original nationalities if they wanted to resettle in Taiwan.

The Taiwan paper said these people could freely use their original passports abroad after they had resettled.

The committee said a one-year re-entry permit would be issued to businessmen investing in Taiwan who could leave and return freely.

Mr Fung said his organization had received many inquiries here on emigration to Taiwan. He did not elaborate. Nor did he provide figures on how many Hong Kong residents had settled there in recent years.

BRIEFS

ROC-PARAGUAY EXTRADITION TREATY -- Asuncion, 3 Nov (CNA) -- 'Law No 1208' passed the Paraguayan Government to become the extradition treaty between the Republic of China and Paraguay. The treaty was signed in Taipei on 24 April 1986 and the Paraguayan Congress formally approved it last month. The treaty will go into effect after the exchange of ratification instruments. Since the treaty was signed in Taipei, the ratification instruments will be exchanged in Asuncion as according to international practice. [Text] [Taipei CNA in English 0934 GMT 4 Nov 86 OW]

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C H I N A
HONG KONG & MACAO

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HONG KONG

ARTICLE QUESTIONS NEED FOR DIRECT ELECTIONS

HK160050 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1016 GMT 13 Nov 86

[Article by Yu Jin (0060 0093): "Reform of the Political System and Public Opinion in Hong Kong"]

[Text] Hong Kong, 13 Nov (ZHONGGUO TONGXUN SHE) -- A few days ago while talking about the reform of the political system, a senior official of the Hong Kong Government stressed that to carry out the reform people should be patient, considerate, and prudent, and that the reform should be consistent with the Basic Law. He does not wish to see a sudden dislocation as a result of the change in 1997, nor do the people in Hong Kong wish to hastily carry out the reform.

At a recent conference of the Hong Kong Legislative Council, some councillors pointed out that although in the coming 10 years or so the changes in the political system are the business of the British and Hong Kong governments, these changes should dovetail the Basic Law of the Hong Kong Special Administrative Region enacted by the Chinese National People's Congress.

Some political figures in Hong Kong believe that conducting a direct election is the demand of the majority people in Hong Kong and "only by conducting a partial direct election in 1988 can the wishes of the people be met."

Is it the wish of the majority people in Hong Kong to conduct a direct election in 1988? Judging by the reports in the newspapers and magazines in Hong Kong as well as the District Board elections held in Hong Kong over the last few years, we can learn something about public opinion in Hong Kong.

During the election of the 19 District Boards conducted in March of last year, only about 466,000 people in Hong Kong went to the polls, accounting for 37.5 percent of the registered voters. However, the number of registered voters was less than half of the total voters. This means that only over 10 percent of the voters went to the polls in this election, notwithstanding that the number of voters in this election was the largest in the several District Board elections that have been conducted in Hong Kong.

As the majority of the voters did not cast votes and over half of them did not even have the interest to register, it is very difficult to say that the majority of people in Hong Kong demand a direct election.

Many people point out that the issue with which the majority of people in Hong Kong are most concerned is whether Hong Kong can maintain its prosperity and stability and whether their life style can remain unchanged after 1997. Would a direct election, in particular a direct election which would be hastily conducted in 1988, affect the prosperity and stability in Hong Kong and, as a result, affect the lives of the residents in Hong Kong? This is the issue which the people in Hong Kong should first consider in deciding whether a direct election should be conducted.

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